

REGIONAL TOURISM STRATEGY FOR THE SOUTH AND CENTRAL PACIFIC

'STRATEGY FOR GROWTH'



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REGIONAL TOURISM STRATEGY FOR THE SOUTH AND CENTRAL PACIFIC

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GLOSSARY

Ab initio training	Initial training as distinct from in-service training	PATA	Pacific Asia Travel Association
ACP	Africa Caribbean Pacific states	PIC	Pacific Island Country
ADB	Asian Development Bank	PNG	Papua New Guinea
APEC	Asia-Pacific Economic Co-operation	PNGTPA	Papua New Guinea Tourism Promotion Authority
ASPA	Association of South Pacific Airlines	PRTDP	Pacific Regional Tourism Development Program
AusAID	Australian Development Assistance	RMI	Republic of the Marshall Islands
CFP	South Pacific French Franc	RTW	Round the World air fares
CTO	Caribbean Tourism Organisation	SME	Small and Medium Sized Enterprises
CDE	Centre for Development of Enterprise	SOPAC	South Pacific Applied Geosciences Commission
DFID	Department for International Development	SP	South Pacific
EIA	Environmental Impact Assessment	SPANTO	South Pacific Association of National Tourism Offices (New Zealand)
EIB	European Investment Bank	SPPF	South Pacific Project Facility
EBAS	European Business Assistance Scheme	SPREP	South Pacific Regional Environment Programme
ESCAP	Economic and Social Commission for Asia and the Pacific	SPTO	South Pacific Tourism Organisation
EU	European Union	STA	Samoa Tourism Authority
FEMM	Forum Economic Ministers Meeting	STDs	Sexually Transmitted Diseases
FHA	Fiji Hotels Association	TIM	Tourism Industry Member
FIT	Fully Independent Travel	TVB	Tonga Visitors Bureau
FNTC	Fiji National Training Council	TCSP	Tourism Council of the South Pacific (now SPTO)
FSM	Federated States of Micronesia	UK	United Kingdom
FVB	Fiji Visitors Bureau	UNESCO	United Nations Educational, Scientific and Cultural Organisation
GDP	Gross Domestic Product	UNDP	United Nations Development Programme
HRD	Human Resource Development	US	United States
IMF	International Monetary Fund	USA	United States of America
IT	Information Technology	USP	University of the South Pacific
IFC	International Finance Corporation	WTO	World Tourism Organisation
IPA	Investment Promotion Agency		
MICE	Meetings, Incentives, Conferences and Exhibitions		
MOU	Memorandum of Understanding		
NGO	Non-Governmental Organisation		
NZODA	New Zealand Overseas Development Assistance		
NTO	National Tourism Organisation		

EXECUTIVE SUMMARY

This document outlines the Regional Tourism Strategy in the South and Central Pacific for the next ten years.

Vision

The vision for tourism in the region has three main components:

- ***The economic benefits from tourism increase, as the region experiences a growing share of world tourism arrivals and increased visitor expenditure, length of stay and income retained within the region.***
- ***The region's highly distinctive environment and culture are conserved and tourism is embraced as a means of achieving this.***
- ***Visitors experience a safe environment and unique hospitality, with awareness on the part of resident populations of the opportunities that tourism presents and on the part of visitors, an appreciation of the special characteristics of the region.***

Regional Strategies

Regional objectives, strategies and key initiatives have been developed for three focal areas, to enable the region to achieve this vision:

HRD

Strategy

- Improve the sustainability and quality of the Regional tourism product through the coordination of regional training initiatives

Key Initiatives

- Promote information on available courses throughout the region to increase awareness.
- Develop consistent training standards within the region with (subject to evaluation) the introduction of regional certification and competency-based training.
- Facilitate information exchange and regional cooperation between national and regional tourism training organisation.
- Form a regional HRD association and provide a regional centre for research, consultation, communication and influence among trainers.
- Facilitate secondments between enterprises and organisations which encourage the spread of expertise across the region, including in the smaller states who have had limited experience of international tourism operations.

Tourism Planning, Investment and SME Development

Strategy

- Facilitate sustainable tourism development in the region, with a particular focus on eco-tourism and SME development.

Key Initiatives

- Identify and disseminate 'best practice' information on sustainable tourism development, eco-tourism and community development initiatives in the region.

- Improve regional standards and sustainability of the sector through the adoption of Regional Codes of Conduct for tourism operators
- Encourage regional development of SMEs through the dissemination of information on guidelines and policies to facilitate sustainable development.
- Improve SME business sustainability by assessing country needs and facilitating training in key areas (for example, eco-tourism business management).
- Disseminate information on regional tourism investment opportunities, funding sources and business support services.
- Investigate the potential for a competitive regional support fund for the development of SMEs in the tourism sector.
- Establish a regional Ecotourism Association to provide a forum for information exchange on standards, research, marketing and product distribution.
- Identify and disseminate regional best practice examples of tourism land use planning and development initiatives.
- Develop and implement a 'Cruise Ship Strategy' for the region.

Marketing and Market Research

Strategy

- Increase visitation and yield to the region through a market led approach to promotion and product development.

key Initiatives

- Revitalise the image of the region through consistent promotion of the unique cultural and natural resources of the region.
- Maximise regional branding and product promotion through coordinated marketing activities in key markets.
- Promote product quality through a regional awards scheme.
- Develop the SPTO internet site into a 'world's best practice' tourism site for information distribution and access to SPTO's products and services.
- Facilitate and support trade and consumer travel shows and road show participation in selected growth markets.
- Support national marketing efforts by coordinating existing networks (including Forum Trade Offices, SPANTO and 'Treasures of the Pacific') to provide regional market representation in key markets.
- Undertake consumer, trade and niche market research for the region to underpin regional marketing activities, including specific market intelligence studies on common regional niche markets such as diving, game fishing, weddings and honeymoons, backpackers and conference/incentive business.
- Establish a regional 'Crisis Response Unit' within SPTO and develop a coordinated plan to deal with 'external shocks'.

Coordination, Monitoring and Action Plans

As the basis for implementation, a series of action plans have been developed for each strategy and individual initiative. In addition a number of priority projects have been identified to assist the region to achieve its' vision for the sector.

Introduction

This document outlines the Regional Tourism Strategy for the South and Central Pacific for the next ten years. The main document is ‘**Strategy for Growth**’ which provides a policy framework at a regional level and which sets the future direction for the growth of tourism sector in the region. This document summarises the direction and key components of the Regional Tourism Strategy, including the context, objectives and action plans provided for implementation.

In addition detailed **Appendices** are provided as a separate document. Appendix I - ‘*Tourism: The Regional Context*’ details key economic and social information on the region, including the characteristics of the tourism sector and the background to the ‘*Strategy for Growth*’. Appendix II - ‘*Regional Tourism Issues*’ identifies the key issues, constraints to growth and the needs of the public and private sectors, which provides the context within which the ‘*Strategy for Growth*’ is formulated. The other supporting Appendices are cross-referenced with the main document.

Purpose of the Strategy

This document provides a blue print for regional cooperation in the tourism sector for the next ten years and establishes the future strategic direction for the SPTO.

The overall objective of the Strategy can be summarised as being:

To ensure that the region maximises the potential offered by the sector for economic growth, job creation and increased government revenues, so that tourism development is sustainable, economically, environmentally and socially.

Tourism in the Region

All the countries and territories within the region have recognised the future importance of tourism development. This is particularly the case in the Cook Islands, Fiji, French Polynesia, New Caledonia, Niue, Palau,

Samoa, Tonga and Vanuatu. These countries, together with five other Pacific Forum Island nations (Federated States of Micronesia, Kiribati, Marshall Islands, Nauru and Papua New Guinea), French Polynesia, New Caledonia and American Samoa make up the region.

Tourism generates substantial incomes for the majority of countries within the region. Tourism dominates the economies of the Cook Islands and Palau, and generates a substantial part of GDP in Fiji, French Polynesia, New Caledonia, Samoa and Vanuatu.

Table 1: Economic Importance of Tourism in Countries Within the Region

Country	Tourism GDP %	Tourism % Employment
Cook Islands	47.0%	-
Fiji	12.8%	9.5%
Kiribati	14.5%	1.7%
Niue	13.0%	-
Palau	49.0%	-
PNG	6.3%	3.2%
Samoa	9.5%	10.0%
Solomon Islands	2.9%	1.6%
Tonga	5.0%	3.2%
Tuvalu	3.0%	-
Vanuatu	16.6%	12.0%

Source: SPTO and individual country estimates

The table below indicates the level of arrivals for individual countries in the region.

Table 2: South and Central Pacific Visitor Arrivals: 1999 - 2002

Country	1999	2000	2001	2002
American Samoa	6,858	6,333	-	-
Cook Islands	55,599	72,994	74,575	72,781
FSM	46,648	16,500	15,250	-
Fiji	409,995	294,070	348,014	397,859
French Polynesia	210,800	233,326	227,658	189,030
Kiribati	5,104	4,842	4,831	-
Marshall Islands	4,622	5,264	5,399	-
Nauru	-	-	-	-
New Caledonia	103,352	109,587	100,515	103,933
Niue	1,778	2,010	2,069	1,632
Palau	55,493	57,732	54,111	47,025
PNG	67,357	58,429	54,280	53,482
Samoa	85,124	87,688	88,263	88,960
Solomon Islands	17,395	5,753	3,418	-
Tonga	30,883	37,694	32,386	36,585
Tuvalu	770	1,504	976	1,236
Vanuatu	50,746	57,360	53,203	49,463

Source: SPTO and individual country estimates

Tourism in the region can be analysed in terms of the number of visitor arrivals, and the nature of the outbound tourism markets on which they

draw. On this basis tourism destinations in the region fall into four groupings:

- Those able to draw on a range of originating markets, and with visitor flows of 100,000 a year or more. These are Fiji, French Polynesia, New Caledonia and Palau. Fiji, French Polynesia and New Caledonia, which draw on European, Japanese, Australian and New Zealand markets. Fiji also attracts business from Korea, dependent on a Korean Airlines service, while both Fiji and French Polynesia have substantial business from North America. Palau draws on Asian (Japan, Taiwan and Philippines) and American markets, but also seeks to develop European markets.
- Those able to draw on a range of markets but which are more limited in terms of tourism plant: Cook Islands, Papua New Guinea, Samoa and Tonga. These have around 30,000 to 70,000 visitor arrivals a year. While all have substantial business from Australia and/or New Zealand, they have also developed longer-haul markets. The Cook Islands, Samoa and Tonga benefit from the services of Air New Zealand, which includes travellers using Round the World (RTW) fares.
- Destinations limited to a smaller number of originating markets, but otherwise similar to the above in terms of the number of visitor arrivals. FSM and Vanuatu are in this category, with FSM drawing on Asian and US markets and Vanuatu on Australia and New Zealand.
- Countries with a more modest level of visitor arrivals: American Samoa, Kiribati, Marshall Islands, Nauru, Niue, Solomon Islands and Tuvalu. All of these destinations tend to suffer from access constraints, with airline flights from only a limited number of originating points, tending to lead to high costs of hotel and resort operation.

In global terms the tourism in the South Pacific is small, with the region receiving less than approximately 1.5 percent of world tourist arrivals.

Although there are approximately 1,500 tourism related businesses in the region, the majority of which are small and medium sized businesses. This modest size of the industry, leads to a limited market access.

Importantly for the future, tourism has been widely identified as a key sector for future economic growth and the provision of employment. At regional level it is identified as a priority sector for development and for the alleviation of poverty.

Constraints to Growth

Tourism has the potential to play a substantially greater role in the regional economy. The reasons it has not previously done so include:

- the geographic spread and small population base of the islands of the South Pacific;
- poor infrastructure in many countries;
- the small size of the regional tourism industry in relation to world tourism markets:
- lack of skilled personnel;
- limited awareness at senior government level and in the wider community of the potential economic benefits of tourism;
- institutional weaknesses including constraints on inward investment;
- complex systems of land tenure and cultural values;
- inadequate conservation of key land resources;
- small size of the private sector, primarily due to high costs of operation, low volumes of visitors and lack of domestic capital for investment;
- high domestic transport costs;
- vulnerability to natural disasters.

Limited air access to major markets has followed from such weaknesses. Airlines cannot operate commercially if there is only limited business, a problem that is seriously exacerbated by the great distances and low population base of the region.

The Vision for Tourism

The vision for tourism in the region has three main components:

- ***The economic benefits from tourism increase, as the region experiences a growing share of world tourism arrivals and increased visitor expenditure, length of stay and income retained within the region.***
- ***The region’s highly distinctive environment and culture are conserved and tourism is embraced as a means of achieving this.***
- ***Visitors experience a safe environment and unique hospitality, with awareness on the part of resident populations of the opportunities that tourism presents and on the part of visitors, an appreciation of the special characteristics of the region.***

To achieve this vision the region must offer tourism product, which is:

- Competitive internationally;
- Marketed internationally;
- Sustainable in impact.

Strategic Issues

The strategic issues that will influence the sustainable growth of tourism in the region are:

Development of People: The region has a special resource in its people, that needs to be harnessed via appropriate training. The aim is for a better appreciation of the importance of HRD, including the development of new and appropriate forms of training provision, both for new entrants and for those already in-service and learning from experience elsewhere in the region via secondments, workshops and other mechanisms.

Yield Management: A shift in emphasis from the number of visitor arrivals as a measure of success, to measuring success through the average spend per visitor and ultimately – as the measurement of statistics improves – to net revenue retained within the region per visitor.

Partnership Approach: Tourism development must be a partnership between the private sector and the public sector. Usually the public sector provides the infrastructure and policy framework to allow the private sector to operate and invest in the tourism plant. Both parties have to identify and work towards common goals to achieve sustainable growth of the tourism sector. In recognition of this the SPTO has moved to become an organisation, which brings the public and private sectors together. The requirement is to extend this collaboration throughout the region and to deepen its effectiveness at regional level.

Targeted Marketing: Regional marketing efforts can provide benefits through economies of scale and the targeting of niche markets, which may otherwise not be profitable for individual countries. Specific common market segments appropriate to the region are to be targeted, so that marketing at regional level is of benefit to all countries and territories within the region rather than just a few.

Using Technology: New technology offers an opportunity to break down the tyranny of distance within the region, to communicate more effectively and to increase the profitability of the private sector and the operations of government. The aim is to assist the industry within the region to maximise the opportunities that are presented.

Market Research: Most Pacific tourism operators cannot afford to research international market opportunities and most national tourism organisations are also insufficiently resourced to undertake this research. Market research appropriate to the needs of the sector can most sensibly be undertaken at regional level.

Investment: Growth in the tourism sector in the Pacific is often constrained by the availability of new appropriate investment, either via the mobilisation of domestic investment or via foreign investment. The

reluctance of lending institutions to finance tourism ventures, relates to the high cost of operating in small island states and the relatively small market in global terms. Private sector development will underpin expansion of the sector, with governments providing a favourable investment climate to facilitate growth.

Quality: Linked to investment and human resource development is the issue of quality. The European Package Travel Regulations determine minimum standards for European tour operators. Too much of the region’s physical plant currently falls short in terms of quality standards, and the weaknesses in training can be reflected in a poor visitor experience including the standard and hygiene of some services. ‘Quality’ needs to be a watchword in the region and should be linked to the efforts of the region’s neighbours, such as New Zealand.

Sustainability: The fragile environment of the Pacific island states requires a balanced and sustainable approach to tourism development, which needs to be reflected in development policies at a regional and national level. The industry balance is between a relatively small number of sustainable conventional resort hotels and the development of SMEs including eco-tourism and community-based tourism, which integrate cultural and environmental preservation, with economic viability.

Regional Strategies

These strategic issue areas can be grouped into the following three strategy theme areas:

- Human Resource Development
- Tourism Planning, Investment and SME Development
- Marketing and Market Research.

Human Resource Development

Context

People are the most important resource of any service product. It is local people who welcome visitors and enhance their experience. People often make the crucial difference as to whether or not a destination is enjoyed, and whether or not visitors will return. The region is uniquely well endowed with naturally friendly, unselfconscious and hospitable people. Local encounters rate highly in tourist surveys and visitor satisfaction. However, friendliness is no substitute for service, and service requires HRD. Training standards within the region must improve if it is to take full advantage of growth in world tourism. Competitors such as the Caribbean, Seychelles, Mauritius and the Maldives are focussing on higher training standards.

Regional training needs have been reviewed on a regular basis, most recently in 1995 and 1999. The 1999 review estimated the annual training level by country and skills. Some of the skills identified require school-based training, especially in the management, clerical, and cookery categories. Ideally school based training is also required for waiting, cookery, housekeeping, and bar employees. However realistically, it must be recognised that many staff are recruited from local villages who have leased land to a resort. The lease often has job rights attached, and it is difficult to get some employees to attend training remote from the village, or even off island in the case of the smaller islands.

This makes on the job training, and competency assessment much more important than in other destinations where school based pre-entry training is readily available. Employers must either rely on untrained employees, train them themselves, or avail of the services of training organisations. Most employers have little practical knowledge or skills in effective in-service training. The need for courses organised by SPTO or similar organisations is greater than in other destinations if standards are to improve.

The region requires a system of training that addresses industry needs for training of semi-skilled and unskilled employees who join the industry, and an ongoing training programme for the vast number of employees in industry who require skills improvement training to meet the need for higher operational standards.

No one organisation can afford to employ enough trainers to offer the range of skills required to meet the disparate needs of all the facets of the industry. The requirement must be to provide an agency to co-ordinate and organise a service, combining the skills of the several agencies and NGOs that could offer the range of training required. The EU funded project to further develop management training at USP may provide the basis for the creation of a Centre of Excellence, which could support the coordination of training across the sector.

As part of the further development of HRD, consideration needs to be given to adopting competency-based assessment and training as the norm for the region. This system is being practised in Australia and New Zealand, and Fiji National Training Council (FNTC) is adopting it as well.

Objectives

- To gain recognition of the benefits of Human Resource Development in the tourism sector across the region.
- To add value to national training efforts through sustainable regional HRD initiatives.
- To achieve a regional integration of training standards that relate to the delivery of international training product.

Strategy

- Improve the sustainability and quality of the regional tourism product through the coordination of regional training initiatives

Key Initiatives

- Promote information on available courses throughout the region to increase awareness.
- Develop consistent training standards within the region with (subject to evaluation) the introduction of regional certification and competency-based training.
- Facilitate information exchange and regional cooperation between national and regional tourism training organisation.
- Form a regional HRD association and provide a regional centre for research, consultation, communication and influence among trainers.
- Facilitate secondments between enterprises and organisations which encourage the spread of expertise across the region, including in the smaller states who have had limited experience of international tourism operations.

Tourism Planning, Investment and SME Development

Context

This Strategy anticipates that future physical development planning will, for the most part be undertaken at national and local level, including via nationally donor-funded programmes. The strategy at regional level is to provide support where there are common themes that are best addressed at a higher level and where common lessons can be learnt and a consistent approach applied.

The need for assistance in the promotion of entrepreneurial activities at regional level is common throughout the region, including for an increased contribution by women and communities in tourism. A particular characteristic of SME development in tourism is that the

product offered has to meet international standards, not local ones; standards of hygiene, fire safety etc. SME development links increased market interest in smaller scale developments and environmental and cultural based product; eco-tourism is a sub sector of sustainable tourism and is one of the fastest growing global market tourism segments. Significant opportunities exist for the development of small scale, low impact tourism, based around the pristine environment and cultures of the region. Facilitating the sustainable development of these opportunities is a key part of the regional tourism development strategy.

Ecotourism has been identified as a key form of development by many of the countries covered by this Strategy. Whilst there are many definitions of ecotourism for the purposes of this Strategy it can be defined¹ as “*nature, culture and community based tourism that is ecologically and economically sustainable and it involves education and interpretation of the natural environment and ensures social and economic benefits to the local community*”. In essence ecotourism is nature and culture based tourism, which meets three criteria;

- Provides for conservation measures;
- Includes meaningful community participation; and
- Is profitable and can sustain itself.

Eco-tourism and community based tourism projects in the region are mostly located in areas of high conservation value and the land is often under traditional ownership. A key to any eco-tourism project is that the natural and cultural heritage is conserved, but at the same time the business has to be like any other: it has to have an identified market and it has to be well managed. The region has a number of eco-tourism projects that were not sustained for reasons such as:

¹ ESCAP/SPTO seminar on “Sustainable Development of Ecotourism in Pacific Island Countries” (Suva, Fiji, October 2001)

- They were devised by external specialists and governments without adequate community involvement or sufficient understanding of the concept of ecotourism;
- Donor funding was provided for the initial set-up costs, but there was no follow through in terms of operational support training;
- The market for the project simply did not exist.

Successful eco-tourism projects need careful planning at the local level. However, there is a need for the sharing of experience at the regional level, advice on industry standards and for linking the private sector into eco-tourism operations supported by NGOs and donors. This can extend to handbooks and other advice for successful eco-tourism operations and the development of a network of regional practitioners. A regional Pacific Eco-tourism Association would provide a vehicle for information exchange and possibly product development and distribution support, as well as the development of guidelines for sustainable development and Codes of Practice.

Linked to this are constraints to investment in the region brought about by the systems of local land ownership, and conflicts between the community approach to land and in-shore marine resources and individual/corporate control backed by the force of law. Very often conflicts arise as a result of a lack of understanding on the one side of the potential economic benefits of tourism and the means whereby these are arrived at, and on the other of the communal approach and the dependence on oral tradition rather than written laws. Such misunderstandings can afflict SME development as well as more traditional larger scale resorts. A regional approach can draw on common themes and assist both national governments, the private sector and local communities, to reach a better level of understanding.

Funding and other support for SMEs is available from a number of sources including business advisory services from development banks, the Forum Secretariat, AusAID, NZAID, SPPF, JICA, ProInvest and CDE the last two contributing to the costs of consultancy assistance.

There is a need for a wider understanding in the region of the assistance, which is available from various sources, and for the dissemination of experiences encountered in SME development within the region. This parallels the dissemination of experience in relation to projects specifically related to eco-tourism. In many smaller Pacific countries there is also a need for the continuation of training, (as previously delivered by SPTO), in small resort business and marketing management.

Investment into the tourism sector in the region is constrained primarily by low returns in relation to the perceived level of risk. The relatively low economic growth and domestic savings base exacerbates this. There is a need to attract investment into the tourism sector and to identify mechanisms to facilitate inward investment. One example is the adoption of tourism development areas, where identified sites are made available, permissions are pre-obtained and development is free from land and rights disputes. The preparation of pre-feasibility studies, which demonstrate that a project is likely to be financially attractive in a tourism development area, is an added possibility. In addition there is also a need to co-ordinate information on investment opportunities across the region; SPTO could act as a central point of contact in this regard.

Cruise shipping has a significant impact on many of the countries within the region; there is a requirement to develop a coordinated regional approach to further develop this sector.

Objectives

- To achieve balanced and sustainable tourism development within the region, which is in line with national tourism policies.
- To encourage small-scale tourism, including eco-tourism and community based tourism, which generates incomes and employment, which is well managed and which is of appeal to visitors.

Strategy

- Facilitate sustainable tourism development in the region, with a particular focus on eco-tourism and SME development.

Key Initiatives

- Identify and disseminate ‘best practice’ information on sustainable tourism development, eco-tourism and community development initiatives in the region.
- Improve regional standards and sustainability of the sector through the adoption of regional Codes of Conduct for tourism operators
- Encourage regional development of SMEs through the dissemination of information on guidelines and policies to facilitate sustainable development
- Improve SME business sustainability by assessing country needs and facilitating training in key areas (for example, eco-tourism business management)
- Disseminate information on tourism investment opportunities, funding sources and business support services available across the region
- Investigate the potential for a competitive regional support fund for the development of SMEs in the tourism sector.
- Establish a regional Ecotourism Association to provide a forum for information exchange on standards, research, marketing and product distribution.
- Identify and disseminate regional best practice examples of tourism land use planning and development initiatives.

- Develop and implement a regional ‘Cruise Shipping Strategy’.

Marketing and Market Research

Context

Regional marketing and promotion activities will be judged on whether they deliver business to the private sector. The private sector will only view regional marketing activities as valuable if there are synergies to be gained from cooperative marketing activities, or if activities can demonstrate that they are developing and growing the market to the South Pacific. In undertaking marketing at regional level it is critical that strong connections are maintained between the regional organisations involved, and notably SPTO, and the private sector, both directly and indirectly via NTOs.

In the past, products have tended to be based on coastal resort tourism. Key targets have been the (in some cases a more adventurous) generic resort holiday market including families, couples and honeymooners. However, the majority of the region’s resorts and hotels are small mid-range properties. Constraints include low standards of service, perceived poor value for money, not enough to do or see, weak packaging and a "tired" product.

The region needs to promote its unique characteristics, and superb cultural and natural resources. Visitor surveys indicate that "people and the environment" are overwhelmingly considered the region's greatest attraction.

The region can revitalise its image by promoting its relative safety, extraordinary diversity, friendly and exotic people, wealth of cultures, pristine marine attractions, adventure activities and great natural beauty. The SPTO has launched the regional tourism brand image with a tag line of ‘Discover Paradise’. This regional branding needs to be reinforced by members as well as through SPTO themselves.

The region should be presented as a destination for the adventurous traveller who is willing to "explore and discover"; the expectation built into this message, more accurately reflects the realities and frustrations of travel in the region. Long haul markets are prepared to pay a premium to visit the "unspoiled", warmly hospitable, safe and genuinely remote attractions the region can deliver.

Trends in success at the quality end of the market such as yacht charters, luxury cruises, quality dive operations and specialist game fishing, for example, should be pursued.

The primary and secondary target markets for the region are set out below:

Table 3: South and Central Pacific - Primary and Secondary Target Markets

	Primary Markets	Secondary Markets
Regional:		Pacific Islands
Short/Medium Haul:	Australia, New Zealand, Korea, Taiwan, Japan,	
Medium Haul:		Other Asia, Eastern Europe and South America
Long Haul:	Europe, North America	

Market intelligence which is relevant to the region is something which is widely valued, including in the private sector, and is something which few entities in the region - whether corporate or private - can afford on their own, even at a national level. It is an area of activity where regional co-operation is invaluable; market research into niche segments, (such as

diving, honeymooners, backpackers, birdwatchers), which are common to many regional countries are of particular importance.

Major events in the first few years of the new millennium, indicate that the tourism industry is operating in a fragile environment where external ‘shocks’ can have a major impact on consumer behaviour and profitability. The region must ensure that it establishes itself as a ‘haven’ for tourist; safety and personal security are of paramount importance and are issues that need constant vigilance by the authorities and operators in the region. The region should seek to ensure that tourists enjoy personal safety and security and that this aspect is incorporated into marketing communications. Linked to this is the need to be able to respond to significant threats to the tourism sector in the region, such as incidents of terrorism, civil unrest, disease or other disasters. SPTO should take on the role of a spokesperson for the region’s industry, when crisis or disasters happen which threaten the sector. This will require the support and collaboration of all countries in the region.

Key marketing issues for consideration within this Strategy include; identifying emerging market trends and demands, ensuring a mix of mature and emerging, capitalising on the move away from mass tourism towards a more segmented approach, utilising the benefits of new technology and understanding changing consumer travel needs. In order to better understand these issues and shape the future of the tourism market for the region, individual countries, the industry and SPTO must work together to meet the needs of the market.

Objectives

- To encourage a more market-led approach to product development based on sound market research and understanding of consumer needs.
- To establish a stronger, more systematic basis for destination marketing in the region by facilitating greater industry co-ordination and liaison;

- To increase awareness of the region by creating a strong and distinct regional image and positioning of the region clearly in target markets as a quality, activity-based culture, and nature destination "awaiting discovery";
- To facilitate joint marketing and promotional activities with appropriate neighbors and partners.
- To maximise the potential of the SPTO internet site to act as a regional gateway and provider of comprehensive regional visitor information.
- To positively manage the impact of major external events which threaten the market for the region’s tourism product.

Strategy

- Increase visitation and yield to the region through a market led approach to promotion and product development.

Key Initiatives

- Revitalise the image of the region through consistent promotion of the unique cultural and natural resources of the region.
- Maximise regional branding and product promotion through coordinated marketing activities in key markets.
- Promote product quality through a regional awards scheme.
- Develop the SPTO internet site into a ‘world’s best practice’ tourism site for information distribution and access to SPTO’s products and services.

- Facilitate and support trade and consumer travel shows and road show participation in selected growth markets.
- Support national marketing efforts by coordinating existing networks (including Forum Trade Offices, SPANTO and ‘Treasures of the Pacific’) to provide regional market representation in key markets.
- Undertake consumer, trade and niche market research for the region to underpin regional marketing activities, including specific market intelligence studies on common regional niche markets such as diving, game fishing, weddings and honeymoons, backpackers and conference/incentive business.
- Establish a regional ‘Crisis Response Unit’ within SPTO and develop a coordinated plan of action to deal with future ‘external shocks’.

The Way Forward

Implementation

The implementation of the Strategy as outlined in this document requires a collaborative effort across the region, of regional agencies, national agencies and the private sector.

The Role of SPTO

The only agency body within the region that focuses solely on tourism development is the SPTO. SPTO has been restructured and undergone a change in organisational culture, with a greater focus towards the needs of its membership. Membership of SPTO now includes 13 South Pacific countries and a range of private sector operators. The focus of the organisation in the future will be on delivery of programs and activities, which meet the needs of the private sector and countries in the region.

With regards to the development of the sector the SPTO will adopt a ‘Two Pronged Approach’ provide support at two levels to target:

- The more established components of the industry, which tend to be in the more developed destinations, who need to expand their markets and product base;
- The fledgling and fragile components of the tourism industry, which exist across the region, especially in the less developed destinations. In these destinations there is a need for an improved understanding of the requirements of tourism and to develop effective marketing, while securing an enhanced product specifically at community level. The need for support in human resource and institutional development is particularly apparent.

The ‘Two Pronged Approach’ advocates that, given the great diversities in the culture, products, resources, size and needs of SPTO country and private sector members, there is a need to maintain the existing marketing and promotional activities for mainstream tourism, but at the same time, attempt to better meet the needs of smaller countries and SMEs.

SPTO’s future policy will be aligned to socio-economic issues that are given high priority by countries within and outside the region. SPTO will practice sustainable and responsible tourism to achieve many of these socio-economic issues including sustainable development, poverty reduction, improvement of gender issues, basic education and health, private sector development and rural development.

However, SPTO represents only one mechanism to deliver this Strategy; implementation will need to involve a gamut of other organisations including those within the private sector and also those that straddle the public and private sectors. It is vital that SPTO ensures that it is meeting the needs of the industry by working within this Strategy and including priority activities and programs within its business planning. Achieving

sustainability for SPTO will depend upon the success of this Strategy in promoting the growth of the industry in the region. This will increase the scale of the industry and thus expand the size of the membership pool on which SPTO can draw.

The sustainability of regional marketing ultimately depends upon the level of support for the activities by all the stakeholders involved in the sector: Most individual countries in the region provide funding, (through SPTO membership), to support regional activities which facilitate market development through destination marketing, or other identified areas of market failure, such as in human resource development or sector industry planning. The funding provided to SPTO through country and private sector membership contributions largely covers operational costs; additional targeted marketing activities will mainly be funded on a user pays basis. Additional donor support for priority regional marketing activities would enable a greater level of market development to be undertaken.

Private sector growth will ultimately need to result from government and donor support, if sustainable benefits are to be delivered to the countries in the region. There is a need for the governments of individual countries, the private sector and donors to co-ordinate their activities to ensure that this is achieved.

The Role of Donor Assistance

The scale of tourism in the region means that donor assistance is essential if objectives are to be achieved and if this Strategy is to be effective. Projects for donor funding will aim to achieve sustainable tourism development and specifically address poverty alleviation. Donor assistance will be sought where there is an essential need to achieve sustainable growth, a need expressed by the private sector, and where resources are not currently available from within the region.

Implementation of this Strategy will primarily be done by drawing on the resources of the region, with donor support to supplement those resources. To this end activities that have in the past been donor

funded, but which will now be locally funded include participation in trade fairs and overseas sales missions for established tourism businesses. Familiarisation trips and media programmes will continue to be primarily funded by the travel industry. Private sponsorships and donor funding will be sought for such events as marketing workshops and awards.

Regional Projects

A number of potential projects have been established as part of a development of this Strategy and after extensive consultation with the private and public sectors in the region. These projects also build upon the recommendation from the World Summit on Sustainable Development (WSSD) for Small Island Developing States to ‘develop community based initiatives on tourism by 2004 and build the capacities to diversify tourism products, while protecting culture and traditions and effectively conserving and managing natural resources’.

These projects provide a coherent sector development programme which can largely be implemented locally and which meet the most urgent needs of the private sector and countries in the region. The indicative cost of this ten year program and the individual components are set out in table 4 below.

Table 4: Priority Regional Tourism Projects

Project Component	Budget (US\$)
HRD	
HRD 01 - Training needs analysis and development of tourism industry trainers.	200,000
HRD 02 - Regional hospitality and tourism training programme (including SMEs)	150,000
HRD 03- Sub-regional workshops on tourism policy/planning	150,000
HRD 04 - Institutional strengthening of SPTO	150,000

Project Component	Budget (US\$)
HRD 05 - Information technology support to NTOs and TIMs	80,000
HRD 06 – Land and culture – prevention and management of tourism land disputes	130,000
HRD 07- Training attachments	100,000
HRD 08 – Biennial SPTO Regional Tourism Forum	50,000
HRD 09 – Cross accreditation of regional tourism training	60,000
HRD 10 - Pilot visitor survey & training	100,000
HRD Sub Total	1,170,000
Tourism Planning, Investment and SME Development	
TPID 01 - Impact assessment of the tourism industry	85,000
TPID 02 - Impact assessment of airline alliances on South Pacific tourism	50,000
TPID 03 – Donors/Stakeholders Forum	40,000
TPID 04 – Tourism Development Fund	180,000
TPID 05 – Upgrade of national tourism strategies and sustainable tourism workshops	190,000
TPID 06 – SMEs and sustainable/ecotourism product branding and upgrading	130,000
TPID 07 – Tourism sector investment forum	160,000
TPID 08 - Regional quality tourism standards	80,000
TPID 09 - Revitalising community based sustainable/ecotourism projects	50,000
TPID 10 - Provide tourism industry guidelines for prevention of communicable diseases	10,000

Project Component	Budget (US\$)
TPID 11 – Tourism waste management and pollution control	150,000
TPID 12 - Feasibility study to establish tourism satellite accounts	50,000
TPID 13 - Support regional efforts for Pacific Ecotourism Association	172,000
TPID 14 – Cruise shipping sector strategy for the South and Central Pacific	75,000
TPID 15 - Marine tourism awareness program	100,000
TPID 16 – Sector product development/baseline data	200,000
<i>TPID Sub Total</i>	<i>1,722,000</i>
Marketing and Market Research	
MMR 01 - Tourism product competitiveness analysis	50,000
MMR 02 - MICE brochure	30,000
MMR 03 - Internet resource library	25,000
MMR 04 – Wholesaler/retailer promotional CD Rom	20,000
MMR 05 - Ongoing market intelligence reporting	100,000
MMR 06 a) Support to facilitate region’s participation in overseas marketing activities	300,000
MMR 07 – Sustainable tourism/ecotourism promotion and marketing support strategy	80,000
MMR 08 – Specific/Targeted marketing support	50,000
MMR 09 – SPTO membership drives	50,000
MMR 10 - Trade educational programme	50,000

Project Component	Budget (US\$)
MMR 11 – Development of sustainable South and Central Pacific tourism internet channel	250,000
<i>MMR Sub Total</i>	<i>1,050,000</i>
<i>TOTAL</i>	<i>3,897,000</i>

Coordination, Monitoring and Action Plans

SPTO will be the lead agency to co-ordinate implementation, liaison (with governments, other key agencies, regional bodies and the private sector) and monitoring of this Strategy; part of this role will be to seek funding for the identified regional tourism projects.

SPTO will need to establish a process for monitoring the implementation of the Strategy and providing feedback to key stakeholders; this can be done as part of SPTO’s existing role as the regional agency for tourism. In order to formalise the implementation process it is proposed that SPTO form a Regional Tourism Strategy Task Force, with representatives from governments, the private sector and other key agencies to oversee and monitor progress. Action Plans for each of the strategies and key initiatives have been prepared (tables 5,6 and 7), to form the basis of the implementation program for an initial three-year period.

Table 5: Growing Tourism Action Plan – Human Resource Development

Strategy: Improve the sustainability and quality of the regional tourism product through the coordination of regional training initiatives.				
Initiative	Key Actions	Responsibility	Indicator	Time Frame
1. Promote information on available courses throughout the region to increase awareness	<ul style="list-style-type: none"> • Undertake a survey of courses and compile web based database • Liase with country members and private sector 	SPTO/Individual countries	<ul style="list-style-type: none"> • Information available on internet 	June 2004
2. Develop consistent training standards within the region with (subject to evaluation) the introduction of regional certification and competency based training	<ul style="list-style-type: none"> • Undertake review of training standards and assessment of feasibility of regional certification of training • Undertake regional certification program (subject to positive assessment of above) 	SPTO/Regional Tourism HRD Association	<ul style="list-style-type: none"> • Feasibility study completed • Certification program adopted 	June 2005
3. Facilitate information exchange and regional cooperation between national and regional training organisations	<ul style="list-style-type: none"> • Hold Tourism HRD Forum with regional training organisations • Establish internet based regional HRD Forum 	SPTO/USP/Regional Tourism HRD Association	<ul style="list-style-type: none"> • Forum held • Internet Forum established 	December 2004
4. Form a regional HRD association and provide a regional centre for research, consultation, communication and influence among trainers	<ul style="list-style-type: none"> • Develop draft constitution • Hold Tourism HRD Forum with regional training organisations • Establish secretariat for Association 	SPTO/USP/Regional Tourism HRD Association	<ul style="list-style-type: none"> • Constitution drafted • Regional Forum held • Secretariat established 	January 2003
5. Facilitate secondments between enterprises and organisations which encourage the spread of expertise across the region, including the smaller states who have limited experience of international tourism operations	<ul style="list-style-type: none"> • Identify and publicise funding sources for secondments • Establish secondment/exchange program on internet • Undertake survey of small island states industry secondment needs 	SPTO/Individual countries	<ul style="list-style-type: none"> • Survey completed • Exchange program established 	April 2004

Table 6: Growing Tourism Action Plan – Tourism Planning, Investment and SME Development

Strategy: Facilitate sustainable tourism development in the region, with particular focus on ecotourism and SME development				
Initiative	Key Actions	Responsibility	Indicator	Time Frame
1. Identify and disseminate ‘best practice’ information on sustainable tourism development, eco-tourism and community development initiatives in the region	<ul style="list-style-type: none"> Survey of regional best practice examples Establish eco-tourism section on SPTO website Facilitate training through best practice workshops 	SPTO/Country NTOs	<ul style="list-style-type: none"> Survey completed Eco-tourism internet section established Workshops undertaken 	December 2003
2. Improve regional standards and sustainability of the sector through the adoption of regional Codes of Conduct for tourism operators	<ul style="list-style-type: none"> Consult with tour operators/industry associations/NTOs Draft regional Codes of Conduct Present Codes of Conduct for adoption 	SPTO/Country NTOs	<ul style="list-style-type: none"> Codes of Conduct adopted tourism industry associations 	December 2004
3. Encourage the regional development of SME’s through the dissemination of information on guidelines and policies to facilitate sustainable development	<ul style="list-style-type: none"> Review exiting guidelines Develop regional guidelines and policies Provide in web based format 	SPTO	<ul style="list-style-type: none"> Regional guidelines developed and circulated 	June 2005
4. Improve SME business sustainability by assessing country needs and facilitating training in key areas (for example, eco-tourism business management)	<ul style="list-style-type: none"> Undertake review of country SME training needs and training provision Facilitate training workshops on key areas identified utilising identified ‘best practice’ regional training 	SPTO	<ul style="list-style-type: none"> Training delivered 	April 2005
5. Disseminate information on tourism investment opportunities, funding sources and business support services available across the region	<ul style="list-style-type: none"> Compile database of regional investment opportunities, funding sources, country policies and procedures and business support services Publish information onto SPTO website 	SPTO/Country NTOs	<ul style="list-style-type: none"> Database complete and published on website 	June 2004
6. Investigate the potential for a competitive	<ul style="list-style-type: none"> Consult stakeholders and prepare 	SPTO	<ul style="list-style-type: none"> Feasibility study 	June 2005

Strategy: Facilitate sustainable tourism development in the region, with particular focus on ecotourism and SME development				
Initiative	Key Actions	Responsibility	Indicator	Time Frame
regional support fund for the development of SME's in the tourism sector	<ul style="list-style-type: none"> feasibility study Facilitate funding (based on outcomes) 		<ul style="list-style-type: none"> Funding available 	
7. Establish the Pacific Ecotourism Association to provide a forum for information exchange on standards, research, marketing and product distribution.	<ul style="list-style-type: none"> Develop Articles of Association and membership criteria Undertake membership recruitment Establish Secretariat Establish internet Forum and program 	SPTO	<ul style="list-style-type: none"> Association established 	December 2003
8. Identify and disseminate regional best practice examples of tourism land use planning and development initiatives	<ul style="list-style-type: none"> Review regional practices and identify examples/models of ‘best practice’. Disseminate information and models through workshops/internet 	SPTO/NTOs	<ul style="list-style-type: none"> Improvements to tourism planning and adoption of best practice 	June 2004
9. Develop and implement a regional ‘Cruise Shipping Strategy’	<ul style="list-style-type: none"> Develop Cruise Strategy Implement Cruise Strategy 	SPTO	<ul style="list-style-type: none"> Strategy developed and implemented 	April 2004

Table 7: Growing Tourism Action Plan – Marketing and Market Research

Strategy: Increase visitation and yield through a market led approach to promotion and product development				
Initiative	Key Actions	Responsibility	Indicator	Time Frame
1. Revitalise the image of the region through consistent promotion of the unique cultural and natural resources of the region	<ul style="list-style-type: none"> • Ensure the ‘Discover Paradise’ brand is incorporated into all regional communications activities • Review country brands to incorporate regional branding 	SPTO/Regional Organisations/NTOs	<ul style="list-style-type: none"> • Country brands reviewed • Regional brand widely adopted 	January 2004
2. Maximise regional branding and product promotion through coordinated marketing activities in key markets	<ul style="list-style-type: none"> • Develop and implement an annual program of joint promotional opportunities. 	SPTO/NTOs/Forum Sec	<ul style="list-style-type: none"> • Implementation of joint marketing activities 	December 2004 (Annually)
3. Promote product quality through a regional awards scheme	<ul style="list-style-type: none"> • Review criteria for the awards scheme • Attract sponsorship for the regional awards scheme • Re-launch the awards scheme 	SPTO/NTOs	<ul style="list-style-type: none"> • Annual awards program implemented 	October 2004 (Annually)
4. Develop the SPTO internet site into a ‘worlds best practice’ tourism site for information and distribution and access to SPTO’s products and services	<ul style="list-style-type: none"> • Review existing site • Define new content and user needs • Upgrade site 	SPTO	<ul style="list-style-type: none"> • Site upgraded 	March 2004
5. Facilitate and support trade and consumer travel shows and road show participation in selected growth markets	<ul style="list-style-type: none"> • Develop and implement an annual program of joint trade show/road show opportunities. 	SPTO/NTOs	<ul style="list-style-type: none"> • Annual program of shows implemented 	December 2003 (Annually)
6. Support national marketing efforts by coordinating existing networks to provide regional market representation in key	<ul style="list-style-type: none"> • Coordinate existing overseas representation networks • Establish overseas representatives in 	SPTO	<ul style="list-style-type: none"> • Overseas representatives established 	April 2004

Strategy: Increase visitation and yield through a market led approach to promotion and product development				
Initiative	Key Actions	Responsibility	Indicator	Time Frame
markets	key markets			
7. Undertake consumer, trade and niche market research for the region to underpin regional marketing activities.	<ul style="list-style-type: none"> Undertake market intelligence and disseminate results 	SPTO	<ul style="list-style-type: none"> Market research studies produced 	April 2004 (On-going)
8. Establish a regional ‘Crisis Response Unit’ within SPTO and develop a coordinated plan of action to deal with future ‘external shocks’	<ul style="list-style-type: none"> Establish a regional ‘Crisis Response Unit’ within SPTO Develop a ‘Crisis Response Plan’ Coordinate regional response to ‘external shocks’ through the regional Unit and the ‘Crisis Response Plan’. 	SPTO	<ul style="list-style-type: none"> Unit established ‘Crisis Response Plan’ in place. 	December 2003