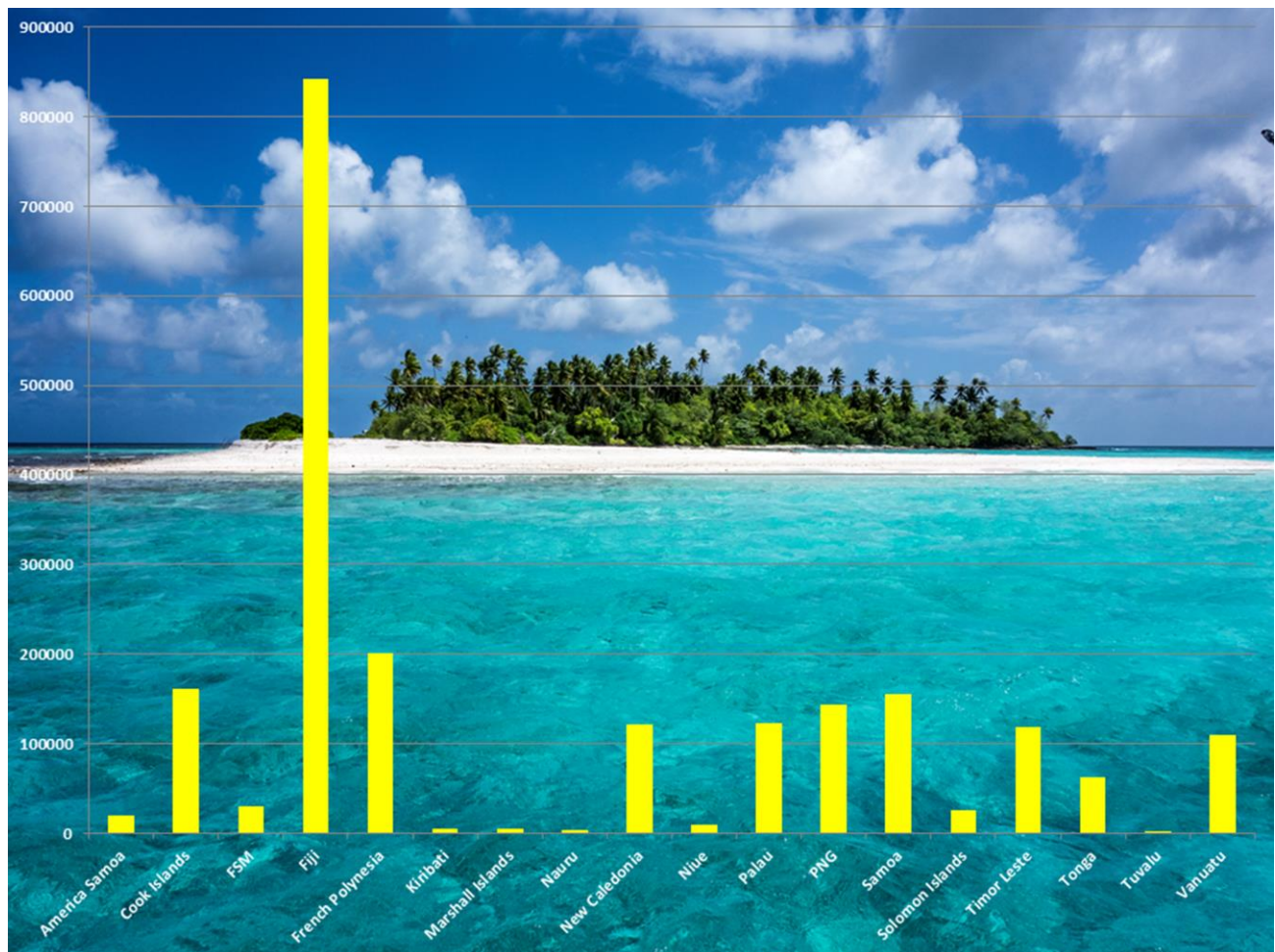




**SOUTH PACIFIC
TOURISM
ORGANISATION**

ANNUAL REVIEW OF VISITOR ARRIVALS IN PACIFIC ISLAND COUNTRIES

2017



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Table of Contents

Contents	Pages
<i>Preface</i>	VI
<i>Definition and Concepts</i>	VII
<i>Sources of Information</i>	VII
1. World Overview	1
2. Tourist Arrivals in the Pacific ACP & SPTO Member Countries	3
3. Market Performances	7
• Australian Market	7
• New Zealand Market	8
• United States of America Market	10
• United Kingdom Market	11
• Europe Market	13
• Japanese Market	14
• Chinese Market	16
• Other Asia Market	17
• Pacific Islands Market	19
• Other Countries	20
4. Destination Analysis	22
<i>(Only countries with complete and partial 2017 data)</i>	
• American Samoa	22
• Cook Islands	23
• Fiji	24
• French Polynesia	26
• Kiribati	26
• Marshall Islands	28
• New Caledonia	29
• Niue	30
• Palau	32
• PNG	32
• Samoa	34
• Solomon Islands	35
• Timor Leste	37
• Tonga	37
• Tuvalu	38
• Vanuatu	39

5.	Destination Analysis by Sea Arrivals	41
6.	Economic Impacts of Tourism	42
7.	Tourism Accommodation	47
8.	Tourism Forecasts	49

Tables

Table W1: World Tourist Arrivals by % Growth, 2017	1
Table R1: Tourist Arrivals to Pacific ACP and SPTO Member Countries, 2017.....	3
Table R2: Tourist Arrivals in Pacific ACP and SPTO Member Countries by Source Market, 2017	5
Table R3: Australian Tourists by Destination and Share, 2017.....	7
Table R4: New Zealand Tourists by Destination and Share, 2017	9
Table R5: USA Tourists by Destination and Share, 2017	10
Table R6: UK Tourists by Destination and Share, 2017.....	12
Table R7: Europe Tourists by Destination and Share, 2017.....	13
Table R8: Japanese Tourists by Destination and Share, 2017	15
Table R9: Chinese Tourists by Destination and Share, 2017.....	16
Table R10: Other Asia Market by Destination and Share, 2017.....	18
Table R11: Pacific Islands by Destination and Share, 2017	19
Table R12: Other Countries by Destination and Share, 2017.....	21
Table R13: Tourist Arrivals by Sea to the Pacific ACP and SPTO Member Countries, 2017	41
Table R14: Tourism Earnings by Pacific ACP and SPTO Member Countries, 2017	42
Table R15: Annual Tourism Employment and Earnings as Percentage of GDP, 2017	45
Table R16: Annual Tourism Tax Revenues by Destinations, 2017.....	46
Table R17: Annual Accommodation Capacities in Pacific ACP and SPTO Member Countries, 2017.....	47
Table R18: Annual Tourism Accommodation Earnings on Online Bookings, 2017.....	48
Table R19: Annual Short Term Forecast of Arrivals by Destinations, 2017.....	49
Table R20: Annual Short Term Forecast of Arrivals by Source Markets, 2017.....	50

Figures

Figure W1: World Tourist Arrivals by % Growth, 2017	1
Figure R1: Tourist Arrivals in Pacific ACP and SPTO Member Countries, 2017	4
Figure R2(a): Tourist Arrivals in Pacific ACP and SPTO Member Countries by Source Market, 2017.....	5
Figure R2(b): Tourist Arrivals in Pacific ACP and SPTO Member Countries by Purpose of visit, 2017	6
Figure R3: Destination Share (%) of the Australian Market, 2017.....	8
Figure R4: Destination Share (%) of the New Zealand Market, 2017.....	9
Figure R5: Destination Share (%) of the USA Market, 2017	11
Figure R6: Destination Share (%) of the UK Market, 2017	12
Figure R7: Destination Share (%) of the Europe Market, 2017.....	14
Figure R8: Destination Share (%) of the Japanese Market, 2017.....	15
Figure R9: Destination Share (%) of the Chinese Market, 2017	17
Figure R10: Destination Share (%) of Other Asia Market, 2017	18
Figure R11: Destination Share (%) of the Pacific Islands Market, 2017.....	20
Figure R12: Destination Share (%) of Other Countries, 2017.....	21
Figure R13: Annual Tourism Earnings by Destination, 2017	43
Figure R14: Annual Tourism Earnings by Destination and Percentage Share, 2017	46
Figure R15: Medium Term Forecasts of Arrivals to Pacific ACP and SPTO Member Countries (2007-2023).....	51
Figure C1: Tourist Arrivals in American Samoa by Source Market, 2017.....	22
Figure C2: Tourist Arrivals in American Samoa by Purpose of Visit, 2017	23
Figure C3: Tourist Arrivals in Cook Islands by Source Market, 2017	23
Figure C4: Tourist Arrivals in Cook Islands by Purpose of Visit, 2017.....	24
Figure C5: Tourist Arrivals in Fiji by Source Market, 2017	25
Figure C6: Tourist Arrivals in Fiji by Purpose of Visit, 2017	25
Figure C7: Tourist Arrivals in French Polynesia by Source Market, 2017.....	26

Figure C8: Tourist Arrivals in Kiribati by Source Market, 2017.....	27
Figure C9: Tourist Arrivals in Kiribati by Purpose of Visit, 2017	27
Figure C10: Tourist Arrivals in Marshall Islands by Source Market, 2017.....	28
Figure C11: Tourist Arrivals in Marshsall Islands by Purpose of Visit, 2017.....	29
Figure C12: Tourist Arrivals in New Caledonia by Source Market, 2017	29
Figure C13: Tourist Arrivals in New Caledonia by Purpose of Visit, 2017	30
Figure C14: Tourist Arrivals in Niue by Source Market, 2017	31
Figure C15: Tourist Arrivals in Niue by Purpose of visit 2017.....	31
Figure C16: Tourist Arrivals in Palau by Source Market, 2017	32
Figure C17: Tourist Arrivals in Papua New Guinea by Source Market, 2017	33
Figure C18: Tourist Arrivals in Papaua New Guinea by Purpose of Visit, 2017	33
Figure C19: Tourist Arrivals in Samoa by Source Market, 2017	34
Figure C20: Tourist Arrivals in Samoa by Purpose of Visit, 2017	35
Figure C21: Tourist Arrivals in Solomon Islands by Source Market, 2017	36
Figure C22: Tourist Arrivals in Solomon Islands by Purpose of Visit, 2017	36
Figure C23: Tourist Arrivals in Timor Leste by Source Market, 2017.....	37
Figure C24: Tourist Arrivals in Tonga by Source Market, 2017.....	38
Figure C25: Tourist Arrivals in Tuvalu by Source Market, 2017.....	38
Figure C26: Tourist Arrivals in Vanuatu by Source Market, 2017.....	39
Figure C27: Tourist Arrivals in Vanuatu by Purpose of Visit, 2017	40

PREFACE

The *Annual Review of Tourist Arrivals in Pacific Island Countries in 2017* is the second series published by the South Pacific Tourism Organization (SPTO). This report presents a review of tourist arrivals in Pacific Island countries for the year ending 2017 with comparative analysis for the same period of the previous year. This report also presents sections on tourism contributions, capacities and short to medium term forecasts of arrivals to the region.

Of the eighteen Pacific Island countries, fourteen responded with complete data. The remaining countries either submitted partial data or did not submit data at all. SPTO will continue its efforts to collect data from all member countries for inclusion in the next review.

In addition to this regular publication, SPTO also produces:

- the pocket-sized *SPTO Facts & Figures*
- Air and Cruise Visitor Survey reports that have been implemented in some selected Pacific Island countries
- Monthly Market Intelligence Newsletter
- Quarterly Review of Tourist Arrivals

Key highlights 2017

- International tourist arrivals grew by a remarkable 7.0% in 2017 to 1.3 billion with Europe led growth at 8.4%.
- Asia and the Pacific region maintained growth momentum at 5.8% to 324 million tourist arrivals.
- Tourist arrivals to the Pacific ACP and SPTO member countries grew by 3.1% in 2017 fuelled by positive performances from more than 77% of the countries in the region.
- Fiji and French Polynesia, the top two destinations in the region in 2017 attracted arrival shares of 39.4% and 9.3%, respectively.
- Tourist arrivals by major source markets posted growth of 5.3% in 2017 following two consecutive years of positive performances.
- Australia, New Zealand, Asia and USA continued to top the rankings in tourist arrivals to PICs in 2017 with shares of 29.5%, 20.8%, and 10%, respectively.
- By purpose of visit, leisure/holidays remain by far the largest segment of arrivals in the region at 64% share in 2017.
- Arrivals by sea from nine countries reached 982,798 in 2017. This brings the total visitor arrivals (both air and sea) to the region to 3,120,336 in 2017.
- Tourism receipts reached an estimated total of US\$3.6 billion with an average GDP contribution of 18%, and an annual contribution of 8.2%.
- Total number of accommodations recorded 2,639 in 14 of the Pacific ACP and SPTO member countries. Earnings from online bookings posted US\$7.5 million in 2017
- Tourist arrivals to the region, forecasted to grow by 4.5% in 2018 and 4.1% in 2019. Arrivals over the next five years, projected to reach 2.7 million in 2023.

DEFINITION AND CONCEPTS

The Regional Conference on Measuring Tourism held in Nadi in March 2014 under the auspices of the South Pacific Tourism Organization (SPTO) agreed to adopt the following definitions and terms recommended by the United Nations World Tourism Organization (UNWTO) and United Nations Statistical Office in the compilation of tourism statistics:

The term ‘tourist’ describes a person visiting a country other than that in which he/she has his/her usual place of residence for any reason other than following an occupation remunerated from within the country visited.

The definition covers two categories of tourists, namely,

Tourist: Tourist staying in the country visited for at least one night and not more than one year. However, the term ‘tourist’ is also used in the text of this report interchangeably for better reading but with the same meaning.

Excursionist: Tourist who does not stay overnight in the country visited – this report does not include this.

SOURCES OF INFORMATION

All sources of statistical information contained in this publication are acknowledged at the foot of each table – mainly the national statistical offices and national tourism offices.

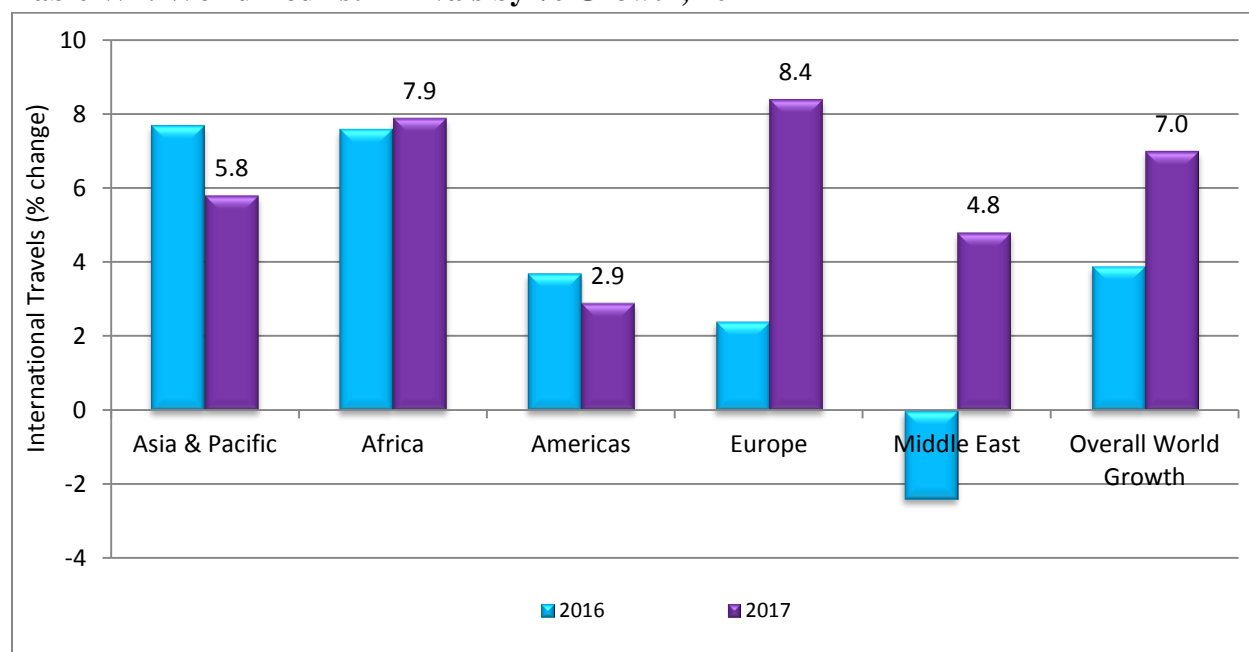
The source of information for tourist arrival statistics in all member countries is the E/D(Embarkation/Disembarkation) immigration arrival card. All 18 PIC member countries of SPTO have different E/D arrival card containing the required categories of information, which help distinguish tourists from other passengers and compile statistics according to the internationally accepted definitions and concepts to facilitate inter-country comparisons. The Regional Conference on Measuring Tourism held in Nadi in 2014 proposed the introduction of standard E/D Cards for Pacific ACPs and SPTO Member Countries, however, these introductions have yet to be made.

1. World Overview

International tourism activities remained buoyant in 2017, boosted by the global economic upswing and increasing tourism expenditure during the year. According to the UNWTO World Tourism Barometer¹, international tourist arrivals grew by a remarkable 7% to reach a total of 1.3 billion in 2017. Growth is well above the sustained and consistent trend of 4% or higher growth since 2010 and represents the strongest results in seven years. In absolute terms, this means about 83 million more tourists travelled internationally in 2017 compared to the additional 46 million in 2016. The positive trend reflected the sustained growth in many destinations combined with a firm recovery in those that experienced declines in 2016. Growth was also boosted by the robust demand from many traditional and emerging source markets with international arrivals from the latter rising by 7.9% in 2017.

By UNWTO regions, Europe led growth in international tourist arrivals by a solid 8.4% in 2017 to 671 million, following a comparatively weaker 2% in 2016. This was fuelled by the extraordinary results in South and Meditarian Europe with arrivals growing by 13%. Africa the second fastest growing region rose by 7.9% inched from the 7.6% growth in 2016. Asia and the Pacific region continued to maintain growth momentum at 5.8% to 324 million international arrivals in 2017 although slowed from the 7.7% growth in 2016. Meanwhile, the Middle East region rebounded to a positive growth of 4.8% from a negative 2.4%, a year prior. The Americans grew by 2.9% to 207 million international arrivals in 2017. However, this was below the growth of 3.7% witnessed in the preceding year. See Figure W1 for details

Table W1: World Tourist Arrivals by % Growth, 2017



Source: UNWTO World Tourism Barometer

¹ UNWTO World Tourism Barometer, Volume 16 January 2018

For the Pacific ACP and the South Pacific Organization (SPTO) member countries, visitor arrivals grew by 3.1% in 2017 following a stronger 5.8% growth in 2016. By source markets, visitor arrivals from Australia and New Zealand continued to dominate the region with both representing 50.3% of the total market shares in 2016.

Based on the current strong momentum and economic prospects, the UNWTO Panel of experts projected international tourist arrivals worldwide to grow at a rate of 4%-5% in 2018. By region, Africa is projected to grow at 5%-7% while the Asia and the Pacific region is forecasted at 5%-6%. Meanwhile, tourist arrivals to the Middle East were projected at 4%-6% with Europe and the Americas forecasted to grow by 3.5%-4.5%. Growth in arrivals is expected to be supported by the positive spillovers of the brighter global outlook and increasing tourist traffics from the regions traditional and emerging source markets during the year. However, downside risks to the forecast remains to the reversal of the positive global tourism outlook, increasing safety and security concerns, and frequent occurrences of natural disasters in the region.



1. Tourist Arrivals in the Pacific ACP & SPTO Member Countries²

Destinations in the Pacific ACP and SPTO member countries² welcomed 2,137,538 tourist arrivals (by air) to its shores in 2017. This represents a 3.1% gain over 2016, or 65,004 more tourist arrivals during the period. Growth reflected the shared positive performances by majority of the destinations triggered by the sustained outbound travel demand, increased connectivity, massive promotional campaigns and improved infrastructure developments over the year. By destinations, double digit growth were recorded for Cook Islands, Kiribati, Niue, Timor Leste, Solomon Islands and Vanuatu with moderate growth from FSM, Fiji, French Polynesia, New Caledonia, Samoa, Tonga and Tuvalu. By sea arrivals, mainly by cruise, the region received a total of 982,798³ from nine Pacific destinations in 2017. This brings the total visitor arrivals (both air and sea) to the region at 3,120,336 during the year. See details in Table R1

Table R1: Tourist Arrivals to Pacific ACP and SPTO Member Countries, 2017

	2016 (r)	2017 (p)	2017 Absolute Change	2017 % Change	2017 Tourism Performance	2017 % Share
America Samoa	20050	19987	-63	-0.3	Negative	0.9
Cook Islands	146473	161362	14,889	10.2	Positive	7.5
FSM	29485	30060	575	2.0	Positive	1.4
Fiji	792320	842884	50,564	6.4	Positive	39.4
French Polynesia	192495	198956	6461	3.4	Positive	9.3
Kiribati	5018	5663	645	12.9	Positive	0.3
Marshall Islands	5431	6034	603	11.1	Positive	0.3
Nauru	3038	3002	-36	-1.2	Negative	0.1
New Caledonia	115676	120697	5021	4.3	Positive	5.6
Niue	8918	9805	887	9.9	Positive	0.5
Palau	138416	122726	-15690	-11.3	Negative	5.7
PNG	197632	142943	-54689	-27.7	Negative	6.7
Samoa	145176	155098	9922	6.8	Positive	7.3
Solomon Islands	23192	25709	2517	10.9	Positive	1.2
Timor Leste	92502	118586	26,084	28.2	Positive	5.5
Tonga	59130	62434	3304	5.6	Positive	2.9
Tuvalu	2465	2530	65	2.6	Positive	0.1
Vanuatu	95117	109063	13,946	14.7	Positive	5.1
Total	2072435	2137538	65004	3.1	Positive	100.0

Source: NTOs, NSOs and SPTO

Note: Figures in red are SPTO estimates, based on averages of the past four months
[r]revised, [p]provisional

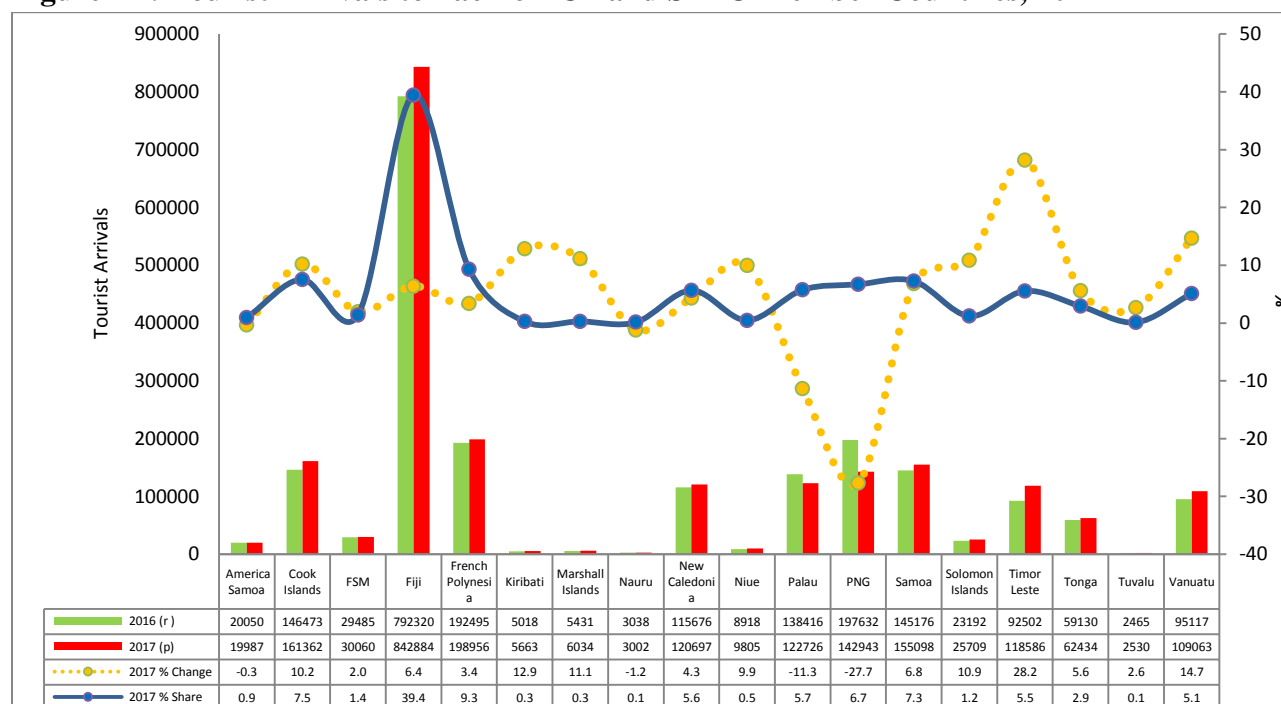
² American Samoa, Peoples' Republic of China, Cook Islands, Fiji, FSM, French Polynesia, Kiribati, Marshall islands, Nauru, New Caledonia, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tuvalu and Vanuatu

² 2017 data unavailable for FSM and Nauru. Actual data for Tonga & Tuvalu up to September 2017.

³ Only for nine countries with sea arrivals data

On shares, Fiji, the lead tourism destination in the region attracted an incremental 39.4% share of the total arrivals. French Polynesia the second highest accounted for 9.3% share, followed by Cook Islands at 7.5%, Samoa 7.3%, PNG 6.7%, Palau 5.7%, New Caledonia 5.6%, Timor Leste 5.5% and Vanuatu at 5.1%. The remaining 7.7% was shared among all the other destinations. The summary is presented in Table R1 and Figure R1.

Figure R1: Tourist Arrivals to Pacific ACP and SPTO Member Countries, 2017



Source: NTOs, NSOs and SPTO

Mirroring the sustained global tourism conditions, tourist arrivals in the Pacific ACP and SPTO member countries by source market rose further by 5.3% (or 106,847) to 2,137,538 in 2017. Pacific Islands and Other Asia outperformed all the other markets with impressive double digit growth of 18% and 11.9%, respectively. Australia, New Zealand, USA, Europe, and Other countries each recorded arrival growth of less than 10% whilst, United Kingdom, China and Japan dropped during the year.

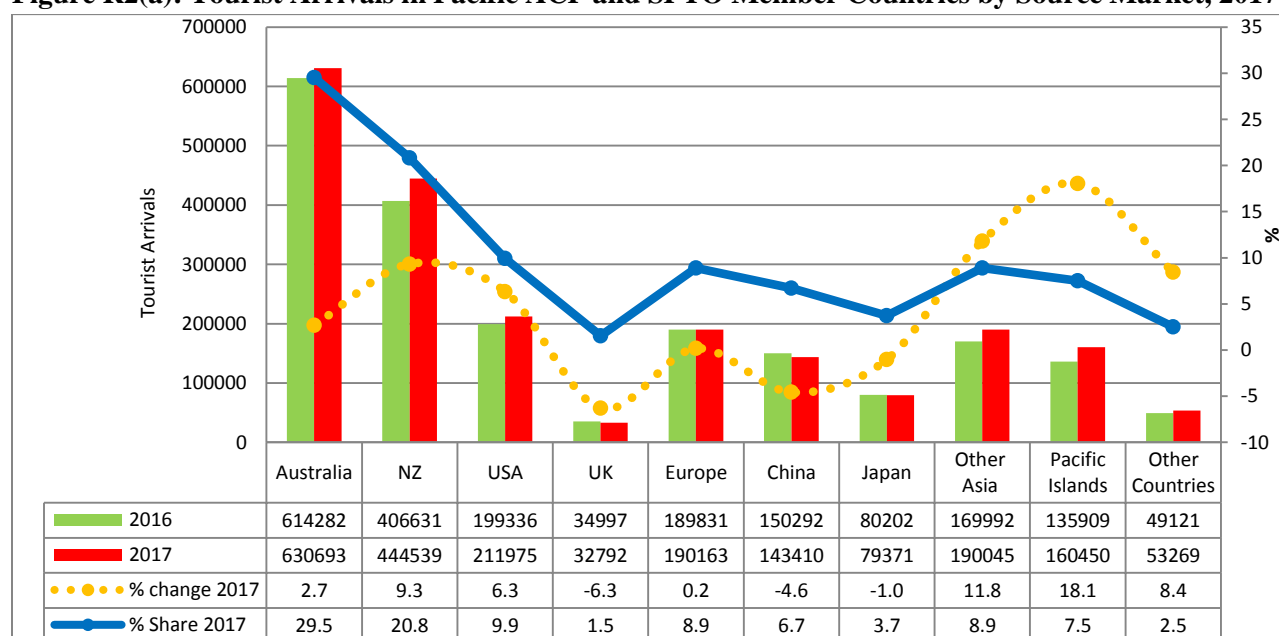
In terms of market shares, Australia and New Zealand continued to top the source markets ranking with 29.5% and 20.8%. However, both shares of 50.3% in 2017, is slightly below their 51.4% share in 2016. USA, the third largest source market represented 10%, Europe and Other Asia edged at 8.9% each and Other Pacific Islands elevated to 7.5% whilst China reduced to 6.7%. All other source markets represented the remaining 7.7% share. See Table R2 and Figure R2 (a) for details

Table R2: Tourist Arrivals in Pacific ACP and SPTO Member Countries by Source Market, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017 (p)	2017	2017	2017
Australia	614231	630669	16438	2.7	29.5
New Zealand	406600	444507	37907	9.3	20.8
USA	199453	212948	13495	6.8	10.0
UK	34973	32784	-2189	-6.3	1.5
Europe	189795	190164	369	0.2	8.9
China	150293	143398	-6895	-4.6	6.7
Japan	80183	79391	-792	-0.99	3.7
Other Asia	169957	190219	20262	11.9	8.9
Pacific Islands	135990	160440	24450	18.0	7.5
Other Countries	49217	53019	3802	7.7	2.5
Total	2030691	2137538	106847	5.3	100.0

Source: NTOs, NSOs and SPTO

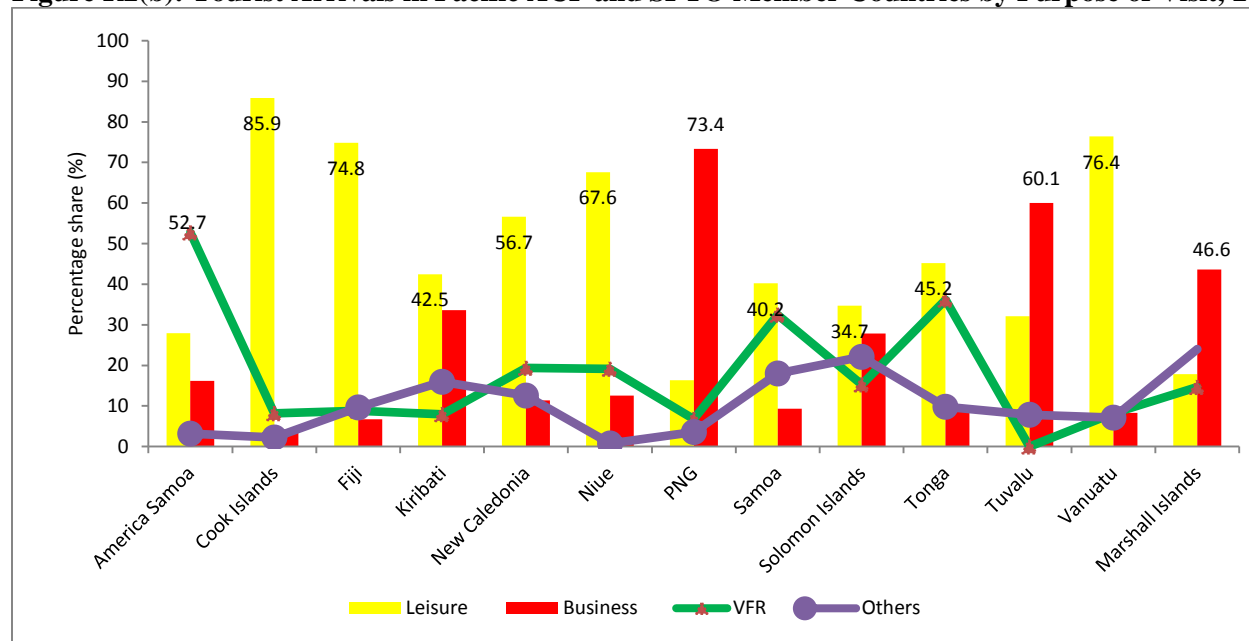
Notes: [r] revised, [p] provisional

Figure R2(a): Tourist Arrivals in Pacific ACP and SPTO Member Countries by Source Market, 2017

Source: NTOs, NSOs and SPTO

Disaggregating arrivals by purpose of visit, leisure tourists dominated the region in 2017 at a remarkable 64% share. Business tourists followed at 14% share, VFR closely behind at 13% and other purposes of visit at 9% share. Countries with the highest shares in leisure tourists include Cook Islands, Fiji, Vanuatu, Kiribati, New Caledonia, Niue, Samoa, Solomon Islands and Tonga. Meanwhile, PNG, Marshall Islands and Tuvalu received more business tourists while American Samoa was dominated by tourists on visiting friends and relatives. See Figure R2 (b) for details.

Figure R2(b): Tourist Arrivals in Pacific ACP and SPTO Member Countries by Purpose of Visit, 2017



Source: NTOs, NSOs & SPTO

Note: Graph based on only countries with available data by purpose of visit



2. Market Performance

Australia Market

Australian tourists visiting the region rose by 2.7% to 630,669, following two consecutive years of relatively weak growth. The marked 16,438 gain was boosted by double digit rise in Australian arrivals to Niue by 29.7%, Timor Leste 16.5%, Vanuatu 16.2%, Samoa 12.2% and New Caledonia rising by 12.2%. Increasing arrivals to Cook Islands by 8.9%, Marshall Islands 8.8%, Solomon Islands 6.5%, Kiribati 6.3%, French Polynesia 2.6%, Tuvalu 3.2%, and Fiji by 1.5% also attributed to the favourable outcome. The positive performances mirrored the destinations improved connectivity with this market associated with increasing flight and seat capacities, tourism promotional campaigns and rise in outbound travel demand from the Australian residents to PICs by 6.1% during the year. Meanwhile, Australian arrivals to American Samoa, Palau, PNG and Tonga decelerated over the period. See Table R3 for further details.

Table R3: Australian Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	803	775	-28	-3.5	0.1
Cook Islands	23796	25912	2116	8.9	4.1
FSM	942	942	0	0.0	0.1
Fiji	360367	365689	5,322	1.5	58.0
French Polynesia	9757	1097	258	2.6	1.6
Kiribati	1032	1097	65	6.3	0.2
Marshall Islands	215	234	19	8.8	0.0
Nauru	2154	2171	17	0.8	0.3
New Caledonia	21442	23705	2263	10.6	3.8
Niue	733	951	218	29.7	0.2
Palau	958	661	-297	-31.0	0.1
PNG	88092	70112	-17980	-20.4	11.1
Samoa	28912	32431	3519	12.2	5.1
Solomon Islands	9539	10161	622	6.5	1.6
Timor Leste	13030	15186	2,156	16.5	2.4
Tonga	12953	12924	-29	-0.2	2.0
Tuvalu	310	320	10	3.2	0.1
Vanuatu	49392	57384	7,992	16.2	9.1
Total	614231	630669	16438	2.7	100.0

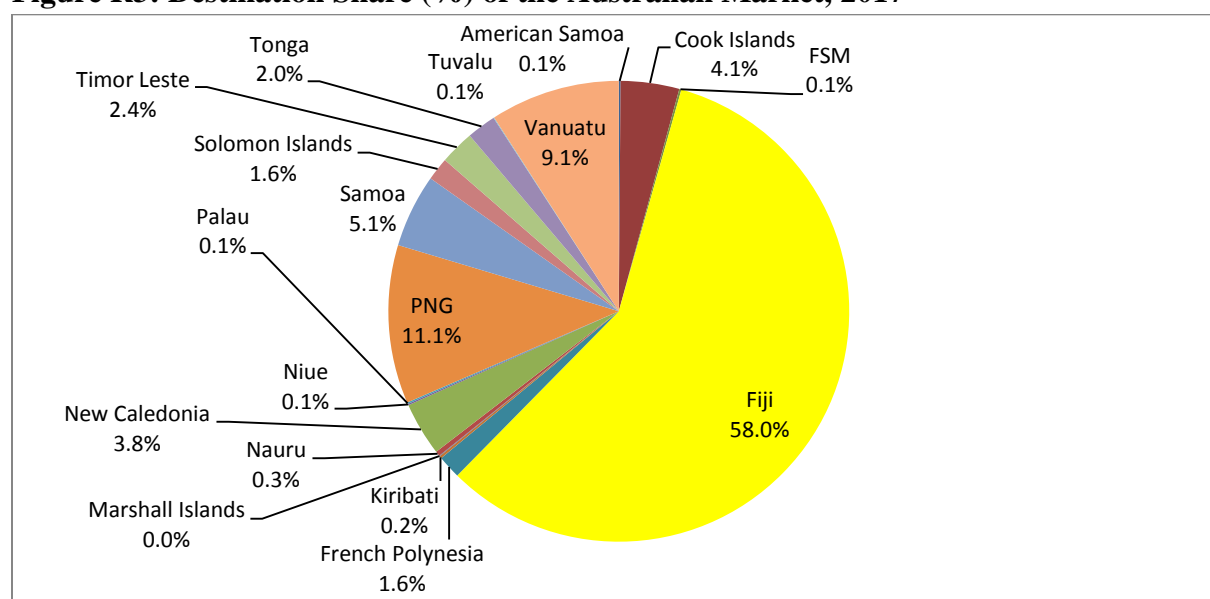
Source: NTOs, NSOs & SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

On market shares, Fiji has remained on top of the destinations chart for tourists from Australia attracting 58.0% share in 2017. PNG rallied second accounted for share of 11.1%, followed by Vanuatu at 9.1%, Samoa 5.1% and Cook Islands with 4.1%. All the other destinations accounted for the remaining 12.2% share of which New Caledonia and Timor Leste represented 3.8% and 2.4% share respectively. Details are shown in Table R3 and Figure R3.

Figure R3: Destination Share (%) of the Australian Market, 2017



New Zealand Market

The New Zealand market remains upbeat, with the region receiving 444,507 arrivals in 2017. This marked an incremental gain of 9.3% or an absolute 37,907 new arrivals against 2016. The outcome was boosted by increasing arrivals to New Zealand's three Pacific leading destinations Fiji by 12.2%, Cook Islands 8.1%, and Samoa by 5.2%. The solid results reflected the sustained acceleration in outbound New Zealand residents to the region rising by a remarkable 16.9%, buoyed by strong economic momentum and expenditure during the year. Aside, the additional direct flights serving the New Zealand route to Fiji, Cook Islands and Samoa also attributed to the impressive results. Growth was also supported by surge in arrivals to Timor Leste with double digit increase to French Polynesia at 30.1%, Marshall Islands 28.2%, and New Caledonia by 14.5%. Positive growth were also recorded for Solomon Islands, Niue, Vanuatu, Tonga, and FSM. In contrast, New Zealand arrivals to American Samoa, Kiribati, Nauru, PNG and Tuvalu shrank with the latter registering the highest fall by 40.2%. Details are illustrated in Table R4.

In terms of shares, Fiji and Cook Islands continued to receive the highest portions in 2017 from this market at 41.5% to 184,595 and 24.2% to 107,585 shares respectively. Samoa followed with a share of 15.9% while Tonga accounted for 6.3%. The remaining 12.1% was shared among all the other countries of which Vanuatu and New Caledonia represented 2.6% and 2.3% each. See Figure R4 for more details.

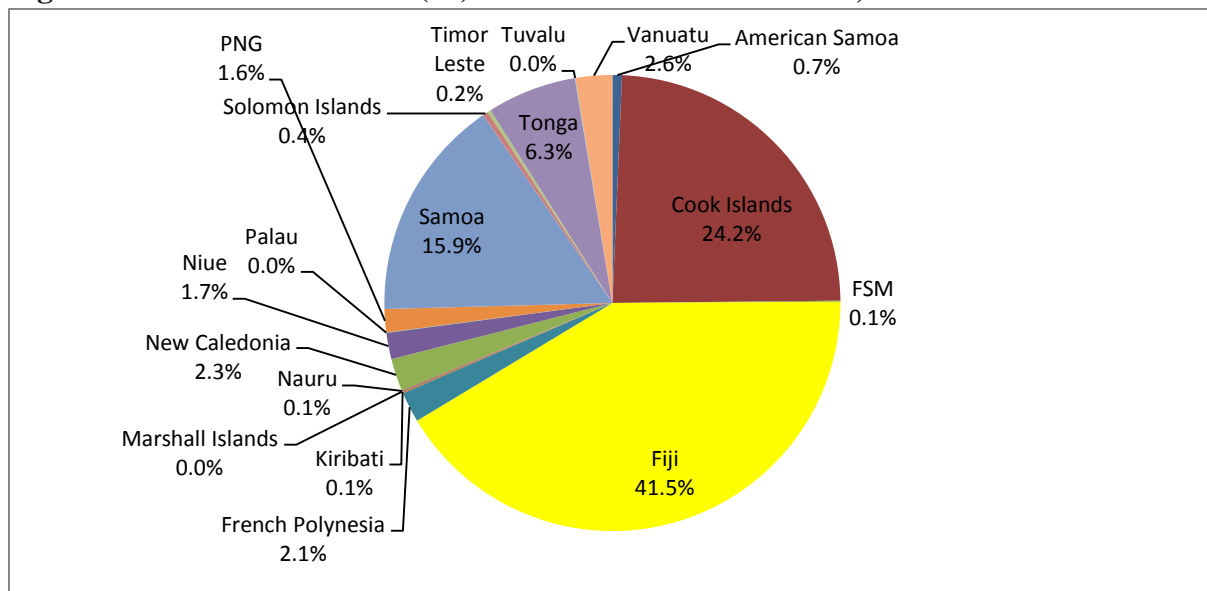
Table R4: New Zealand Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	3022	3005	-17	-0.6	0.7
Cook Islands	99490	107585	8095	8.1	24.2
FSM	312	321	9	2.9	0.1
Fiji	163836	184595	20759	12.7	41.5
French Polynesia	7221	9392	2171	30.1	2.1
Kiribati	598	491	-107	-17.9	0.1
Marshall Islands	103	132	29	28.2	0.0
Nauru	317	303	-14	-4.4	0.1
New Caledonia	8958	10254	1296	14.5	2.3
Niue	7132	7760	628	8.8	1.7
Palau	0	156	156		0.0
PNG	8080	7322	-758	-9.4	1.6
Samoa	67022	70496	3474	5.2	15.9
Solomon Islands	1544	1694	150	9.7	0.4
Timor Leste	127	1057	930	732.3	0.2
Tonga	27545	28175	630	2.3	6.3
Tuvalu	362	215	-147	-40.7	0.0
Vanuatu	10931	11554	623	5.7	2.6
Total	406600	444507	37907	9.3	100.0

Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R4: Destination Share (%) of the New Zealand Market, 2017

USA Market

Tourist arrivals from the USA market grew stronger by 6.8% to 212,948 in 2017 following a weaker 3.4% growth in 2016. The acceleration partly reflected the 91.9% surge in outbound travel demand by USA residents to the Ocean region and the solid 9% growth in USA international tourism expenditure in 2017.⁴ On drivers, the positive outturn was boosted by the maximum double digit increase in USA arrivals to Niue by 53.2% although from a much smaller base, Kiribati by 48.7%, Cook Islands 35.2%, Fiji 16.6%, and Tuvalu by 14.6%. Growth was also supported by positive performances in arrivals to Solomon Islands by 8.9%, American Samoa 8.6%, Tonga 8.1%, Timor Leste 5.2%, Vanuatu 4.3%, FSM 1.7% and French Polynesia by 0.4%. In contrast, arrivals to Marshall Islands, New Caledonia, Palau, Papua New Guinea and Samoa, decelerated against the preceding year. See details in Table R5.

Table R5: USA Tourists by Destination and % Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	4350	4736	386	8.9	2.2
Cook Islands	6192	8372	2180	35.2	3.9
FSM	6792	6906	114	1.7	3.2
Fiji	69628	81198	11570	16.6	38.1
French Polynesia	67908	68204	294	0.4	32
Kiribati	887	1319	432	48.7	0.6
Marshall Islands	1558	1546	-12	-0.8	0.7
New Caledonia	890	639	-251	-28.2	0.3
Niue	156	239	83	53.2	0.1
Palau	8418	7546	-872	-10.4	3.5
PNG	7015	5974	-1041	-14.8	2.8
Samoa	10620	10177	-443	-4.2	4.8
Solomon Islands	1490	1622	132	8.9	0.8
Timor Leste	2429	2556	127	5.2	1.2
Tonga	8107	8761	654	8.1	4.1
Tuvalu	120	138	18	14.7	0.1
Vanuatu	2893	3016	123	4.3	1.4
Total	199453	212948	13495	6.8	100.0

Source: NTOs, NSOs and SPTO

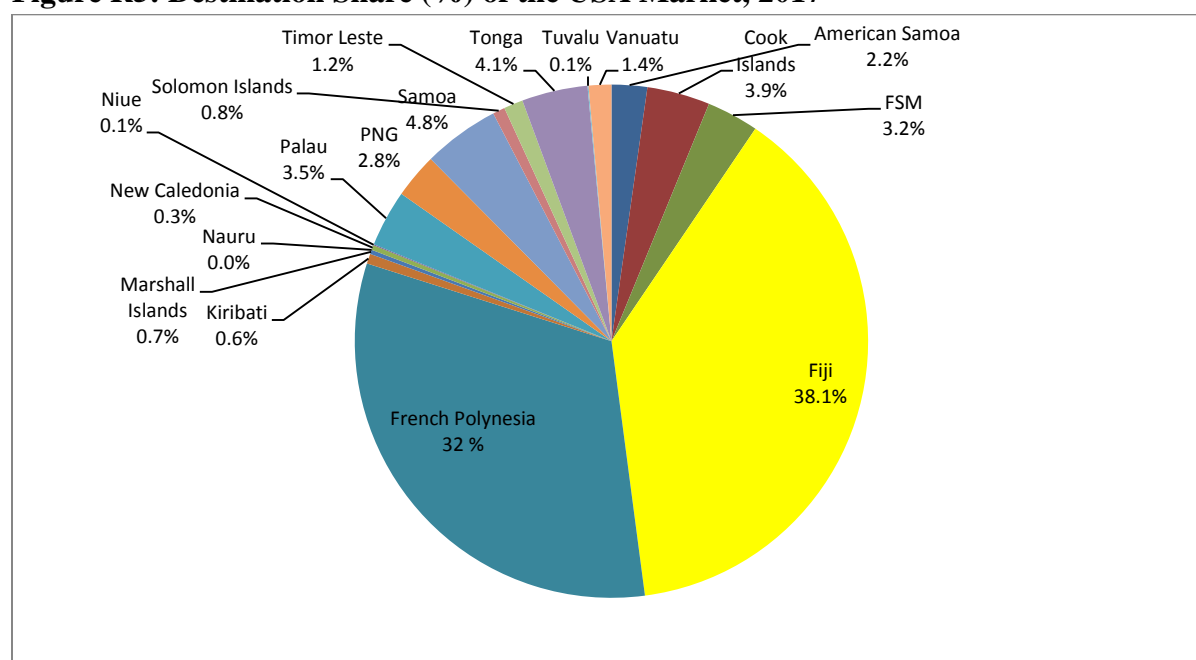
Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Disaggregating by share, majority of the USA tourists in 2017 visited Fiji and French Polynesia with remarkable shares of 38.1% to 81,198 and 32% to 68,204, respectively. Samoa rallied in third with 4.8% share whilst Tonga and Cook Islands accounted for 4.1% and 3.9%, respectively. All the other countries accounted for the remaining 17% with Palau accounting for 3.5% and FSM 3.2%. Details are clearly shown in Table R5 and Figure R5.

⁴ UNWTO World Tourism Barometer, December 2017

Figure R5: Destination Share (%) of the USA Market, 2017



United Kingdom Market

Tourist arrivals from the United Kingdom (UK) to the region decelerated further by 6.3% to 32,781 in 2017, following the 4.2% decline in the preceding year. The marked fall of 2189 in UK arrivals partly reflected the impact of the general elections and Brexit on the British holiday makers during the year. On drivers, the drop against the prior year stemmed from the double digit reduction in UK arrivals to PNG by 45%, New Caledonia 30.3%, Samoa 22.4%, Palau 19.6% and Kiribati by 10.4% with moderate declines from American Samoa and French Polynesia. This outweighed the increase in UK arrivals to Cook Islands, Marshall Islands, Solomon Islands, Niue, Tonga, Tuvalu, Fiji and Timor Leste with maximum surge of 52.2% over the preceding year. See Table R6 for details.

On market shares, more than half of the UK tourists at 51.6% visited Fiji in 2017, well above the 48% share registered in 2016. French Polynesia followed with a share of 11.5%, PNG 9.3% and Cook Islands elevated to 9.0% share from 7.7% in the prior year. The remaining 18.5% was shared amongst all other destinations in the region with Samoa and Timor Leste accounted for 4.3% and 3.8% respectively. Details are illustrated in Table R6 and Figure R6.

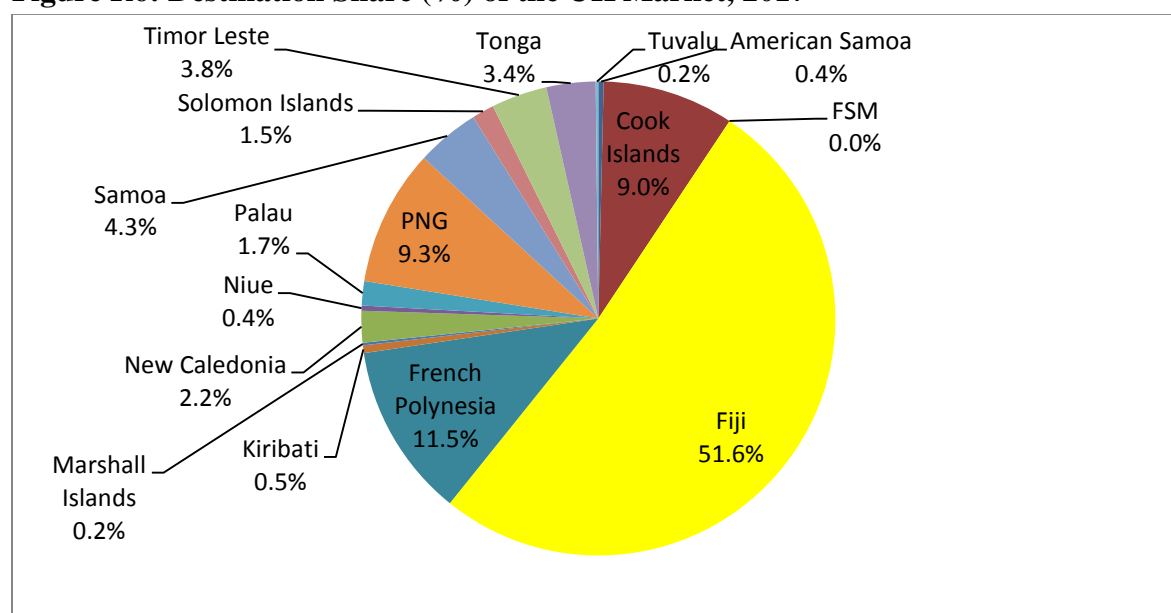
Table R6: UK Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	127	119	-8	-6.3	0.4
Cook Islands	2680	2954	274	10.2	9.0
Fiji	16712	16925	213	1.3	51.6
French Polynesia	3980	3768	-212	-3.5	11.5
Kiribati	193	173	-20	-10.4	0.5
Marshall Islands	15	51	36	240	0.2
New Caledonia	1017	708	-309	-30.3	2.2
Niue	114	146	32	28.1	0.4
Palau	678	545	-133	-19.6	1.7
PNG	5569	3062	-2507	-45.0	9.3
Samoa	1832	1422	-410	-22.4	4.3
Solomon Islands	347	496	149	42.9	1.5
Timor Leste	823	1253	430	52.2	3.8
Tonga	843	1102	259	30.8	3.4
Tuvalu	43	59	16	37.2	0.2
Total	34978	32781	-2189	-6.3	100.0

Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R6: Destination Share (%) of the UK Market, 2017

Europe Market

Tourist arrivals from Europe to the region grew weakly by 0.2% to 190,164 in 2017, after a stronger 9.8% gain in the preceding year. The positive trend reflected the robust outbound demand by European residents, boosted by reports of high international tourism spending, in particular from Germany, France and Italy, three of the main European markets to the region. On drivers, growth was aided by a surge in European arrivals to Kiribati by 72% although from a much smaller base and a double digit increase to Timor Leste, Tonga and Niue by 40.9%, 20.9% and 11.5%, respectively. Growth was also supported by increasing European arrivals to American Samoa and French Polynesia each by 9.9%, Fiji 8.5%, Cook Islands 7.0% and Marshall Islands by 0.7%. Meanwhile, European arrivals to Palau, Nauru, New Caledonia, Samoa, PNG, Solomon Islands and Vanuatu decelerated with the latter recording the highest fall by 32.4% during the year. Details are illustrated in Table R7.

Table R7: European Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	355	390	35	9.9	0.2
Cook Islands	8087	8656	569	7.0	4.6
FSM	1908	1952	44	2.3	1.0
Fiji	31916	34638	2722	8.5	18.2
French Polynesia	61624	64961	3337	5.4	34.2
Kiribati	154	266	112	72.7	0.1
Marshall Islands	143	144	1	0.7	0.1
Nauru	29	25	-4	-14.9	0.0
New Caledonia	47469	42709	-4760	-10.0	22.5
Niue	313	349	36	11.5	0.2
Palau	4486	4176	-310	-6.9	2.2
PNG	7423	5924	-1499	-20.2	3.1
Samoa	3561	2934	-627	-17.6	1.5
Solomon Islands	961	925	-36	-3.7	0.5
Timor Leste	8494	11966	3472	40.9	6.3
Tonga	2614	3161	547	20.9	1.7
Tuvalu	191	187	-4	-2.3	0.1
Vanuatu	10067	6801	-3266	-32.4	3.6
Total	189795	190164	369	0.2	100.0

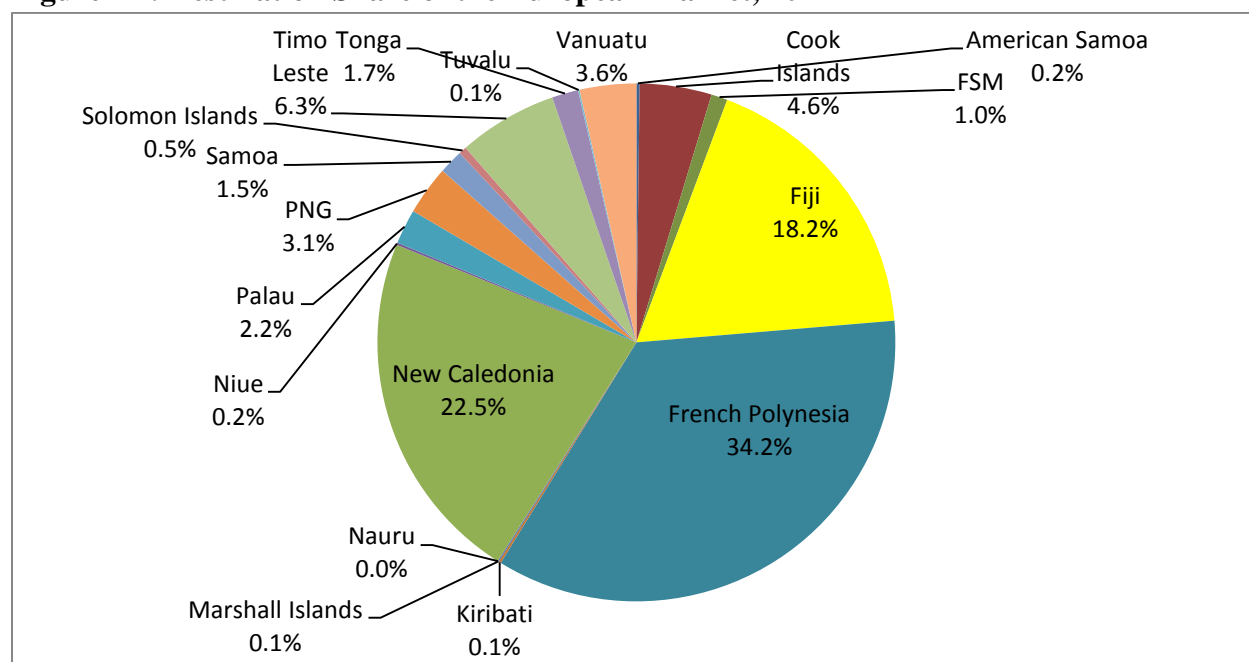
Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

On market shares, French Polynesia received 34.2% of the European tourists to 64,961 in 2017. New Caledonia, the second highest registered a share of 22.5% followed by Fiji at 18.2%, Timor Leste 6.3% and Cook Islands at 4.6%. The remaining 14.3% was shared amongst all the other countries with Vanuatu accounted for 3.6%. See Table R7 and Figure R7 for further details.

Figure R7: Destination Share of the European Market, 2017



Japanese Market

Japanese tourists visited the region fell mildly by 1.0% to 79,391 in 2017 following the 1.9% gain in 2016. The absolute drop of 792 stemmed from the double digit reduction in Japanese arrivals to Palau, the top destination for this market by 11%. This was also pushed down by a fall in arrivals to American Samoa by 14.1%, Tuvalu 9.2%, Samoa 2.9% and Marshall Islands dropping by 0.9%. In contrast, Japanese arrivals to Niue surged by 60% although from a much smaller base, Tonga went up by 35.3%, Solomon Islands 29.5%, Vanuatu 19.2% and Cook Islands edged at 11.4%. Positive growth was also recorded for Japanese arrivals to FSM, Fiji, French Polynesia, Kiribati, New Caledonia, PNG, and Timor Leste. See details in Table R8.

On market shares, Palau despite the deceleration remains the top leading destination for the Japanese tourists accounting for 32.8% share to 26,031 due to its proximity to the source market. New Caledonia followed at 27.5%, French Polynesia 16.1% and Fiji with 8.0% share. The remaining 15.6% was shared amongst all the other destinations in the region with PNG and FSM representing shares of 3.8% and 3.5% each. See details in Table R8 and Figure R8.

Table R8: Japanese Tourists by Destination and Share, 2017

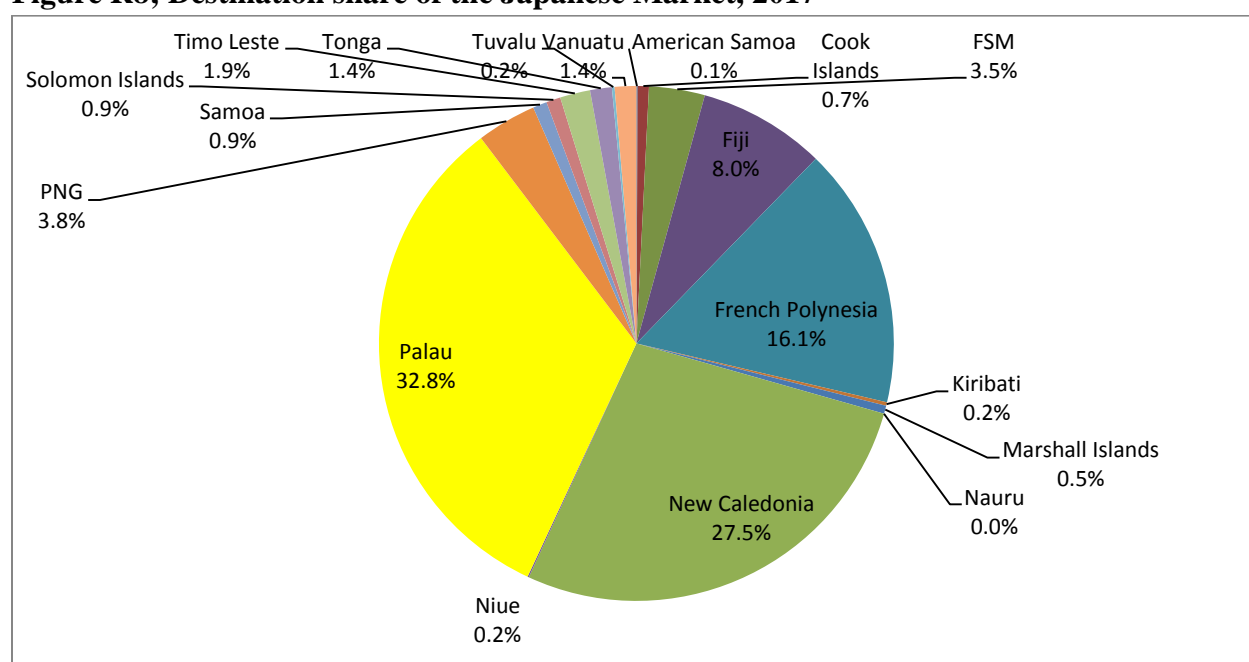
	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	71	61	-10	-14.1	0.1
Cook Islands	502	559	57	11.4	0.7
FSM	2777	2788	11	0.4	3.5
Fiji	6274	6350	76	1.2	8.0
French Polynesia	12174	12808	634	5.2	16.1
Kiribati	174	175	1	0.6	0.2
Marshall Islands	424	420	-4	-0.9	0.5
New Caledonia	21116	21839	723	3.4	27.5
Niue	100	160	60	60	0.2
Palau	29238	26031	-3207	-11.0	32.8
PNG	2816	2985	169	6.0	3.8
Samoa	721	700	-21	-2.9	0.9
Solomon Islands	552	715	163	29.5	0.9
Timor Leste	1391	1505	114	8.2	1.9
Tonga	802	1085	283	35.3	1.4
Tuvalu	148	134	-14	-9.2	0.2
Vanuatu	903	1076	173	19.2	1.4
Total	80183	79391	-792	-1.0	100.0

Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R8; Destination share of the Japanese Market, 2017



China Market

China being the recent fastest emerging market in the region shrank further by 4.6% to 143,398 following the 1.8% fall in 2016. The deceleration was partly owed to the weak outbound travel demand by the Chinese residents to the Pacific region falling by an estimated 23% during the year. The deceleration was also dragged down by the reduction in Chinese arrivals to the top three Pacific destinations, Palau falling by 11%, Fiji 0.6% and PNG by 3.7%. The decline was also associated with the double digit slump in Chinese arrivals to Niue by 93.3%, American Samoa 31.4%, Marshall Islands 27.6%, Tuvalu 18.8%, New Caledonia 15.8%, Samoa 15.4% with French Polynesia falling by 9.3%. This outweighed the rising Chinese arrivals to Cook Islands, FSM, Kiribati, Solomon Islands, Timor Leste, Tonga, Vanuatu, and Tonga. See Table R9 for details.

On market shares, despite the fall, Palau and Fiji continued to attract majority of the Chinese tourists reaching a combined share of 74.4%. Of this, 40.4% to 57,866 visited Palau whilst 34.0% to 48,796 went to Fiji. PNG rallied in third with 6.7% with Timor Leste at 5.4% share. The remaining 13.6% share was distributed among all the other regional countries, with French Polynesia accounting for 3.8%. Details are shown in Table R9 and Figure R9.

Table R9: China Tourists by Destination and Share, 2017

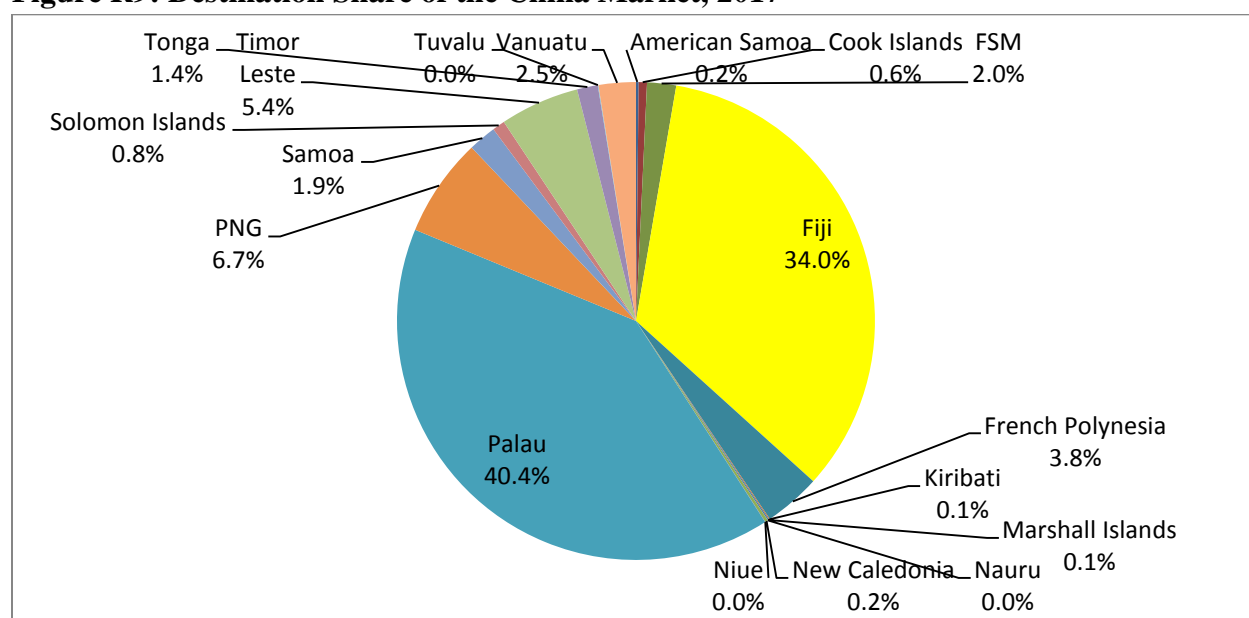
	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	370	254	-116	-31.4	0.2
Cook Islands	786	804	18	2.3	0.6
FSM	2759	2817	58	2.1	2.0
Fiji	49083	48796	-287	-0.6	34.0
French Polynesia	5987	5430	-557	-9.3	3.8
Kiribati	89	98	9	10.1	0.1
Marshall Islands	163	118	-45	-27.6	0.1
New Caledonia	333	280	-53	-15.8	0.2
Niue	15	1	-14	-93.3	0.0
Palau	64990	57866	-7124	-11.0	40.3
PNG	9982	9611	-371	-3.7	6.7
Samoa	3211	2718	-493	-15.4	1.9
Solomon Islands	827	1215	388	46.9	0.8
Timor Leste	7569	7696	127	1.7	5.4
Tonga	1318	2021	703	53.3	1.4
Tuvalu	75	61	-14	-18.8	0.0
Vanuatu	2736	3612	876	32.0	2.5
Total	150293	143398	-6895	-4.6	100.0

Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R9: Destination Share of the China Market, 2017



Other Asia Market

Tourist arrivals from other Asian Market⁵ to the region strengthened further by 11.9% to 190,219 in 2017 following the 51.2% surge in 2016. The marked 20262 upsurge was boosted by arrivals from Other Asia's top three Pacific destinations, Timor Leste rising by 30.2%, Fiji up 18.1% and PNG rising by 4.3%. The robust result in Timor Leste was driven by the continued influx in arrivals from neighboring Indonesia. For Fiji and PNG, this mainly reflected the increased connectivity to Other Asia destinations such as Singapore, Malaysia, South Korea and India during the year. Growth was also fuelled by double digit increase in Other Asia arrivals to Marshall Islands by 30.7%, Cook Islands 29.3%, Tonga 25.7% and Kiribati by 18.1%. Solomon Islands, FSM, New Caledonia, and Tuvalu also recorded positive growth over the period. Meanwhile, arrivals to American Samoa, French Polynesia, Palau, Samoa and Niue decelerated during the year. See details in Table R10.

On market shares, Timor Leste received the highest from the other Asian market at 39.5% share to 75,219 driven by arrivals from Indonesia. Fiji, the second highest received a share of 17.8% to 33,822 arrivals. PNG followed at 15.2% share whilst Palau at 12.6% was driven mainly by tourists from Taiwan and South Korea. The remaining 14.8% was shared among all the other destinations with FSM accounting for 5.8% share. See details in Table R10 and Figure R10.

⁵ Other Asia Market include India, South Korea, Philippines, Taiwan, Malaysia, Indonesia and Singapore

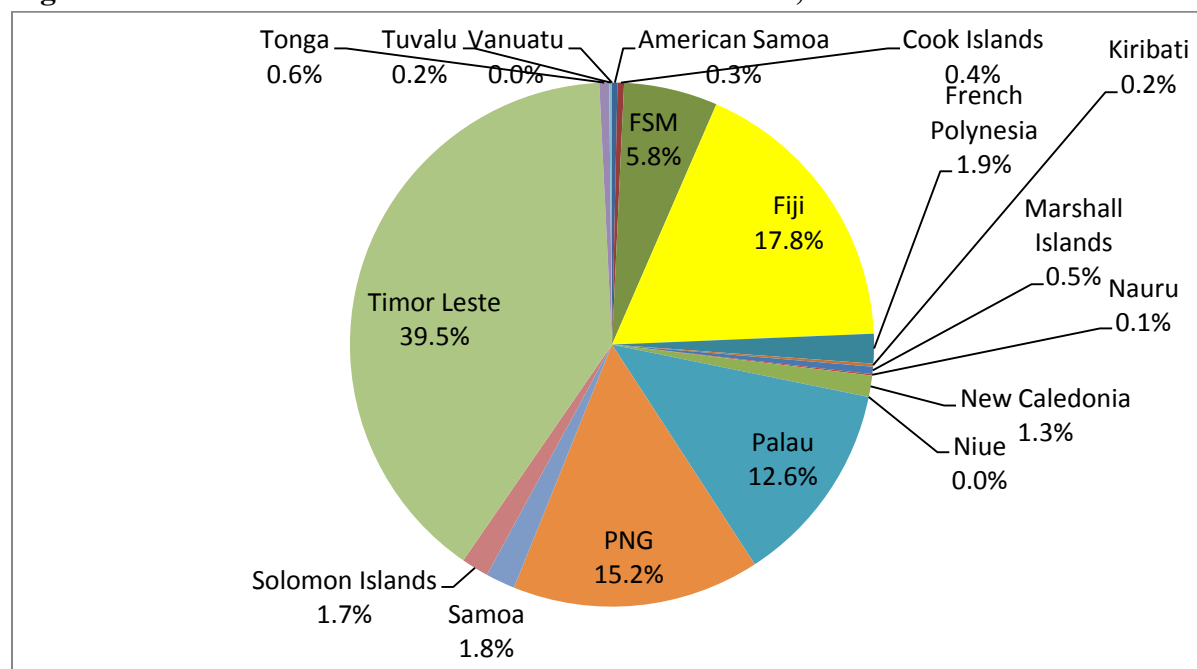
Table R10: Other Asia Market Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	916	633	-283	-30.9	0.3
Cook Islands	593	767	174	29.3	0.4
FSM	10659	10985	326	3.1	5.8
Fiji	28629	33822	5193	18.1	17.8
French Polynesia	3788	3653	-135	-3.6	1.9
Kiribati	304	359	55	18.1	0.2
Marshall Islands	791	1034	243	30.7	0.5
Nauru	162	176	14	8.3	0.1
New Caledonia	2405	2484	79	3.3	1.3
Niue	10	0	-10	-100	0.0
Palau	27434	23959	-3475	-12.7	12.6
PNG	27794	28999	1205	4.3	15.2
Samoa	4314	3456	-858	-19.9	1.8
Solomon Islands	3158	3197	39	1.2	1.7
Timor Leste	57768	75219	17451	30.2	39.5
Tonga	918	1154	236	25.7	0.6
Tuvalu	314	322	9	2.7	0.2
Total	169957	190219	20262	11.9	100.0

Source: NTOs, NSOs and SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R10: Destination share of the Other Asian Market, 2017

Pacific Islands Market

Tourist arrivals within the Pacific region rebounded by an impressive 17.9% rise to 160,440 in 2017 after two years of deceleration. The absolute 24,450 upswing was boosted by the incremental gain from this market's top three destinations, Fiji up by 8.0%, Samoa 21.4% and Vanuatu rising by 49.3%. The robust result was also driven by double digit rise in PIC arrivals to New Caledonia by 57.6%, Palau 32.6%, Kiribati 26.8%, Marshall Islands 24.1%, French Polynesia 17.9%, Solomon Islands 13.4%, Cook Islands 12.5%, and Timor Leste rising by more than two fold. Positive performances were also recorded for American Samoa and FSM whilst Niue, Nauru, PNG and Tonga decelerated during the year. See details in Table R11.

Table R11: Pacific Islands Tourists by Destination and Share, 2017

	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	9792	9801	9	0.1	6.1
Cook Islands	1523	1713	190	12.5	1.1
FSM	2785	2805	20	0.7	1.7
Fiji	49741	53720	3979	8.0	33.5
French Polynesia	4941	5826	885	17.91	3.6
Kiribati	1183	1500	317	26.8	0.9
Marshall Islands	1733	2151	418	24.12	1.3
Nauru	322	272	-50	-15.6	0.2
New Caledonia	9703	15291	5588	57.6	9.5
Niue	298	193	-105	-35.23	0.1
Palau	605	802	197	32.6	0.5
PNG	5819	5776	-43	-0.7	3.6
Samoa	23334	28333	4999	21.4	17.7
Solomon Islands	4472	5070	598	13.4	3.2
Timor Leste	43	164	121	281.4	0.1
Tonga	3560	3149	-411	-11.5	2.0
Tuvalu	750	901	151	20.1	0.6
Vanuatu	15386	22973	7587	49.3	14.3
Total	135990	160440	24450	17.9	100.0

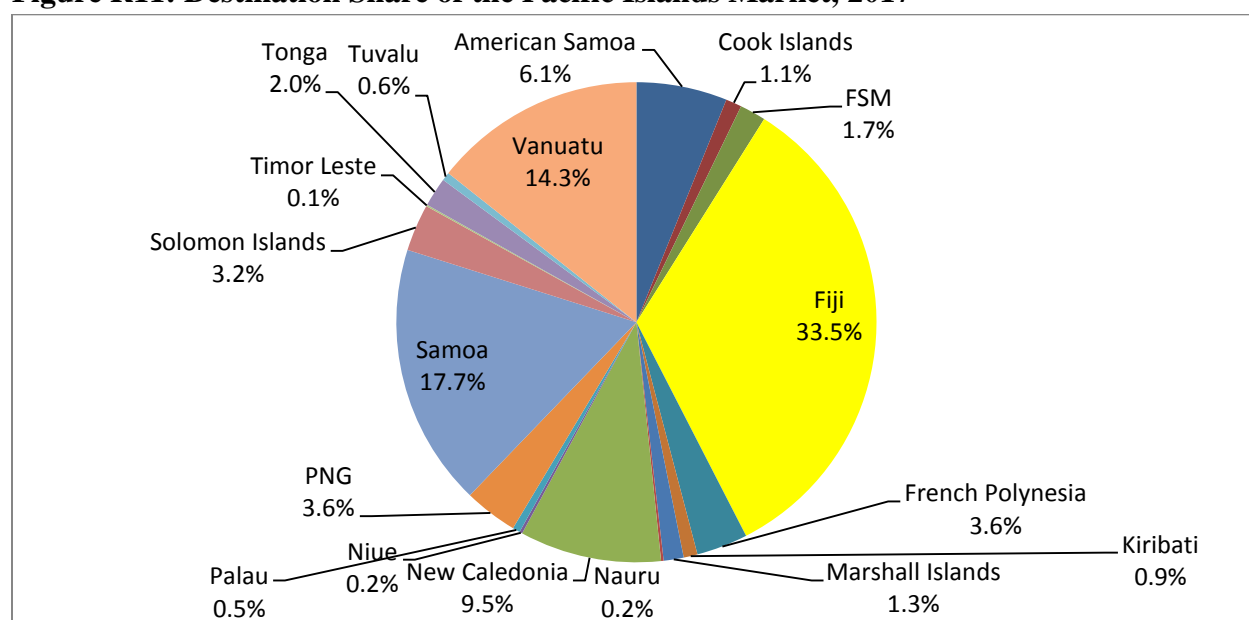
Source: NSOs, NTOs & SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Disaggregated by market shares, Fiji attracted 33.5% to 53,720 of the total PICs tourists, reflecting Fiji's tourism hub within the Pacific region in visitors for holidaying and business conferences. Samoa the second highest obtained 17.7%, followed by Vanuatu at 14.3%, New Caledonia 9.5%, American Samoa 6.1%, PNG and French Polynesia each with 3.6% and Solomon Islands at 3.2%. All other countries represented the remaining 8.5% over the year. See Table R11 and Figure R11 for details.

Figure R11: Destination Share of the Pacific Islands Market, 2017



Other Countries

In 2017, visitor arrivals from other countries rose by 7.7% to 53019 from the previous year. Growth was triggered by a remarkable surge in arrivals from Other Countries to Solomon Islands and Timor Leste each rising by more than one fold. The favourable performance was also boosted by double digit growth in arrivals to Tonga by 91.4%, Samoa 47.4%, Cook Islands 43.1% and New Caledonia by 19%. Other countries arrivals to Fiji and Nauru recorded moderate growth of 6.3% and 3.7%, respectively. Meanwhile, arrivals elsewhere to American Samoa, FSM, Kiribati, French Polynesia, Niue, Palau, Marshall Islands, PNG and Vanuatu dropped during the year.

By market shares, Fiji remained dominant in 2017 with 32.3% of the total arrivals from other countries. This was followed by French Polynesia at 28.1%, Cook Islands 7.6%, PNG 6%, New Caledonia 5.3% and Vanuatu edged closely at 5.0%. All other destinations accounted for the remaining 11.1% over the year.

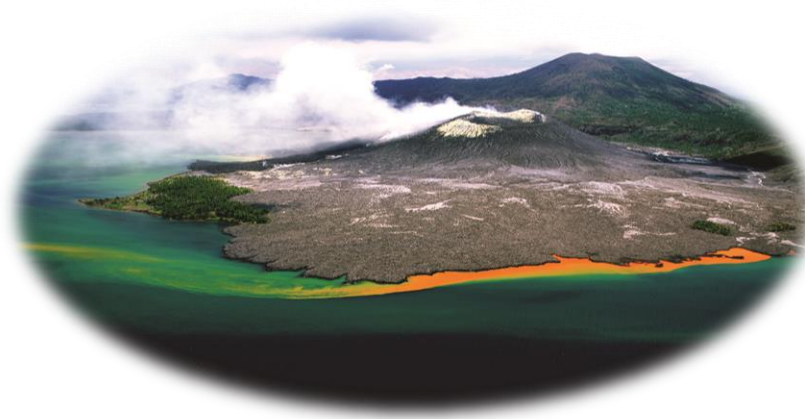


Table R12: Other Countries Tourists by Destination and Share, 2017

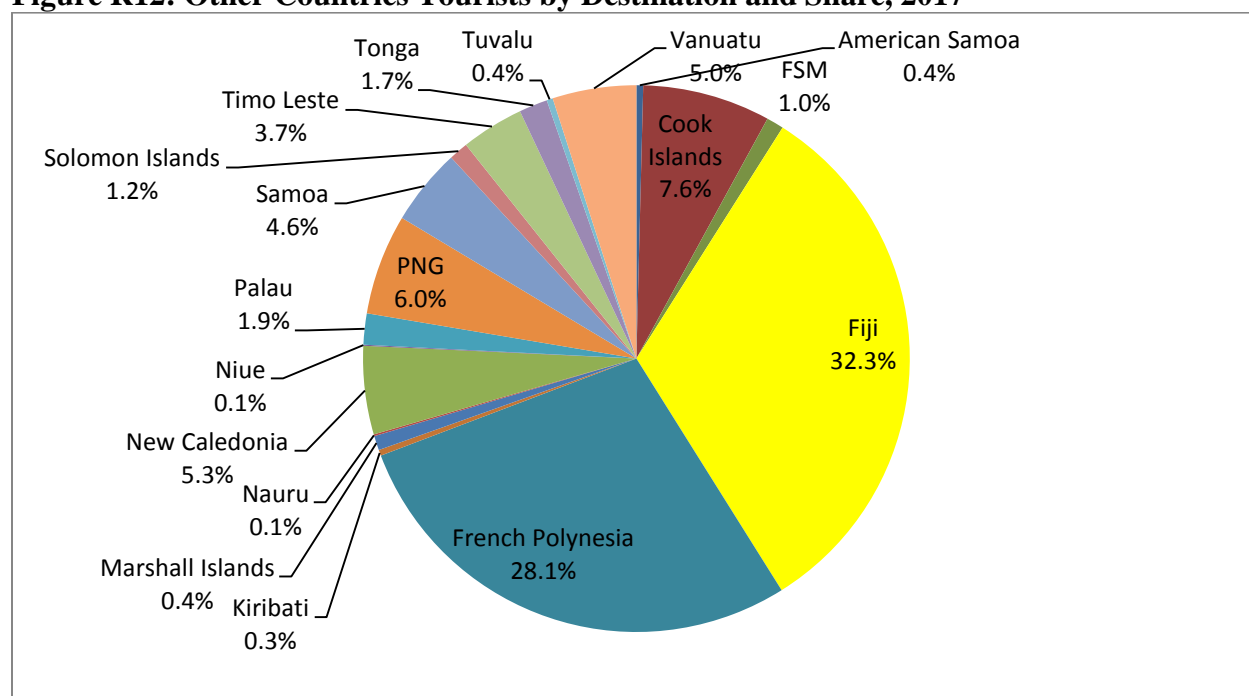
	Tourist Arrivals		Absolute Change	% change	% Share
	2016(r)	2017(p)	2017	2017	2017
American Samoa	244	213	-31	-12.7	0.4
Cook Islands	2824	4040	1216	43.1	7.6
FSM	551	545	-6	-1.1	1.0
Fiji	16134	17151	1017	6.3	32.3
French Polynesia	15115	14899	-216	-1.4	28.1
Kiribati	404	185	-219	-54.2	0.3
Marshall Islands	286	204	-82	-28.7	0.4
Nauru	54	56	2	3.7	0.1
New Caledonia	2343	2788	445	19.0	5.3
Niue	47	6	-41	-87.2	0.1
Palau	1609	984	-625	-38.8	1.9
PNG	3395	3178	-217	-6.4	6.0
Samoa	1649	2431	782	47.4	4.6
Solomon Islands	302	605	303	100.3	1.2
Timor Leste	828	1984	1156	139.6	3.7
Tonga	470	900	430	91.4	1.7
Tuvalu	153	194	41	27.0	0.4
Vanuatu	2809	2647	-162	-5.8	5.0
Total	49217	53019	3802	7.7	100.0

Source: NTOs, NSOs, & SPTO

Notes: Data in red are SPTO estimates based on averages of the past four months.

[r] revised, [p] provisional

Figure R12: Other Countries Tourists by Destination and Share, 2017



3. Destination Analysis

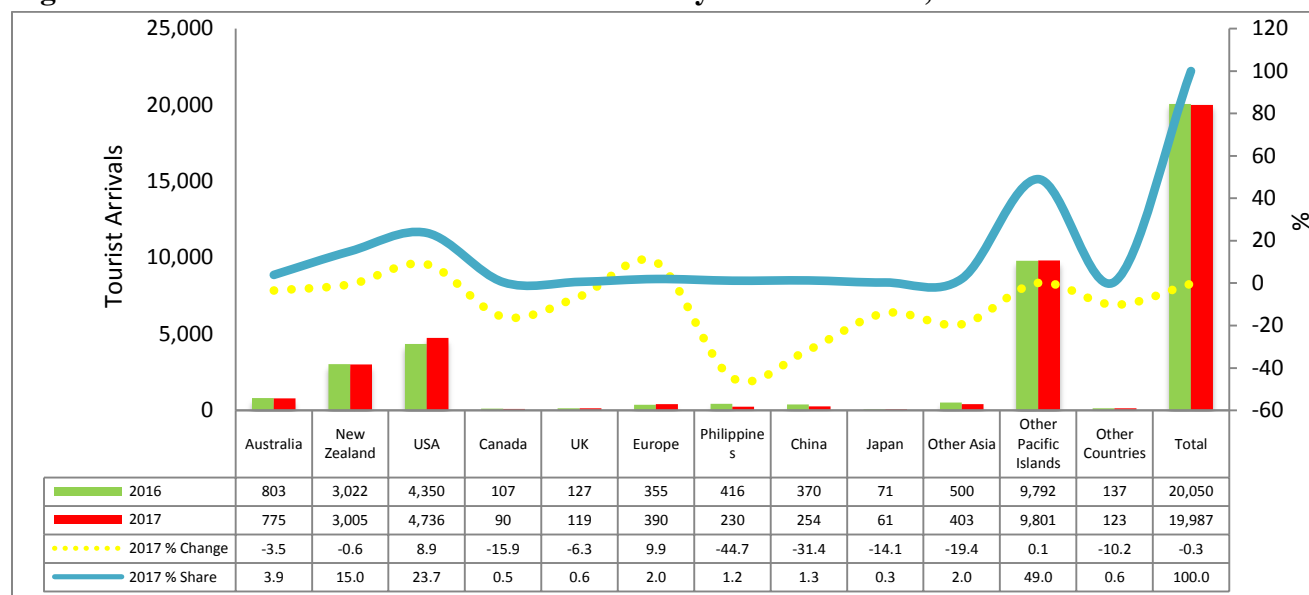
In this section, includes only regional member countries with complete and partial data for 2017

American Samoa

In 2017, tourist arrivals to American Samoa weakened further by 0.3% (or 63) to 19,987 following the 1.4% fall in 2016. The deceleration resulted from the decline in arrivals from Philippines, Other Asia, Canada, Japan, Other countries, the UK, Australia and New Zealand. This outweighed the growth in arrivals from Other Pacific Islands, USA and Europe with the latter recording the highest growth of 9.9%.

Disaggregating arrivals by market shares, majority of these tourists were from other Pacific Islands and accounted for 49% to 9801 of the total tourist arrivals in 2017. This was higher than the 48.8% share witnessed in 2016. Rallying behind other Pacific Islands was USA with 23.7% market share while New Zealand tourists the third highest represented 15% of the share, while all other countries accounted for the remaining 12.3% share. Details are shown in Figure C1.

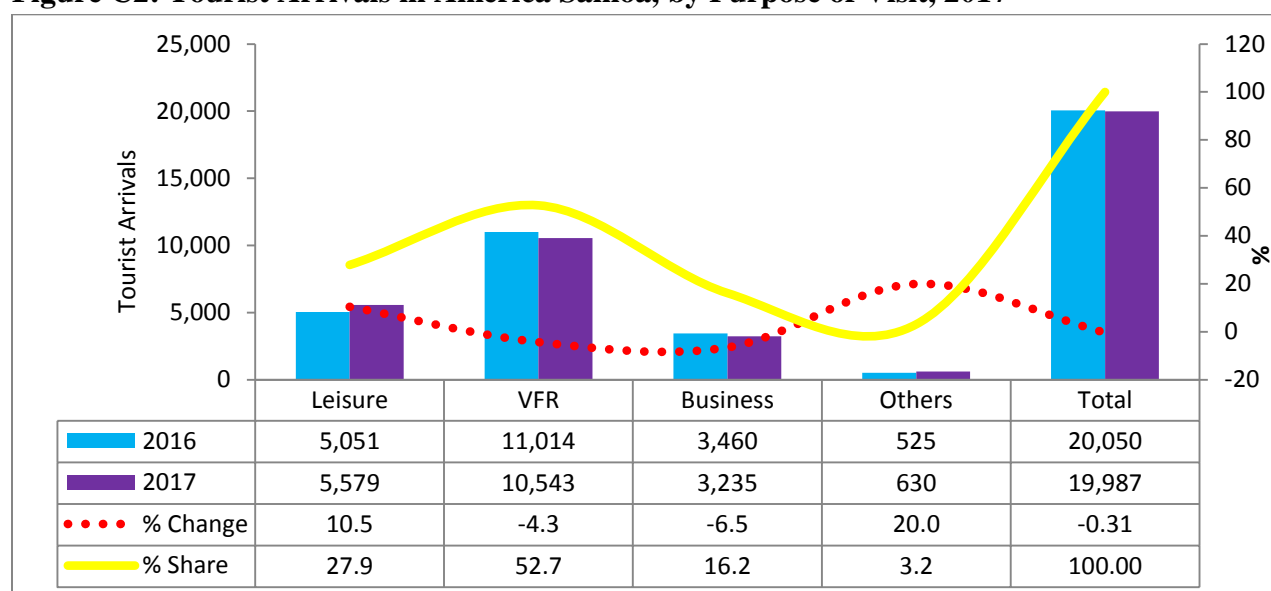
Figure C1: Tourist Arrivals in American Samoa by Source Market, 2017



Source: American Samoa Statistics Division, Dept. of Commerce

Analyses by purpose of visit revealed that majority of tourists to American Samoa in 2017 were visiting friends and relatives (VFR). This segment registered a share of 52.7% to 10,543 while 27.9% of tourists, the second highest were visiting for leisure purposes. Business tourists the third highest segment accounted for 16.2% while 3.2% was made up of tourists visiting American Samoa for other purposes. In terms of growth over the previous year, leisure, and others showed positive movement while tourists visiting for business dropped by 6.5% and VFR dipped by 4.3%. Details are illustrated in Figure C2.

Figure C2: Tourist Arrivals in America Samoa, by Purpose of Visit, 2017

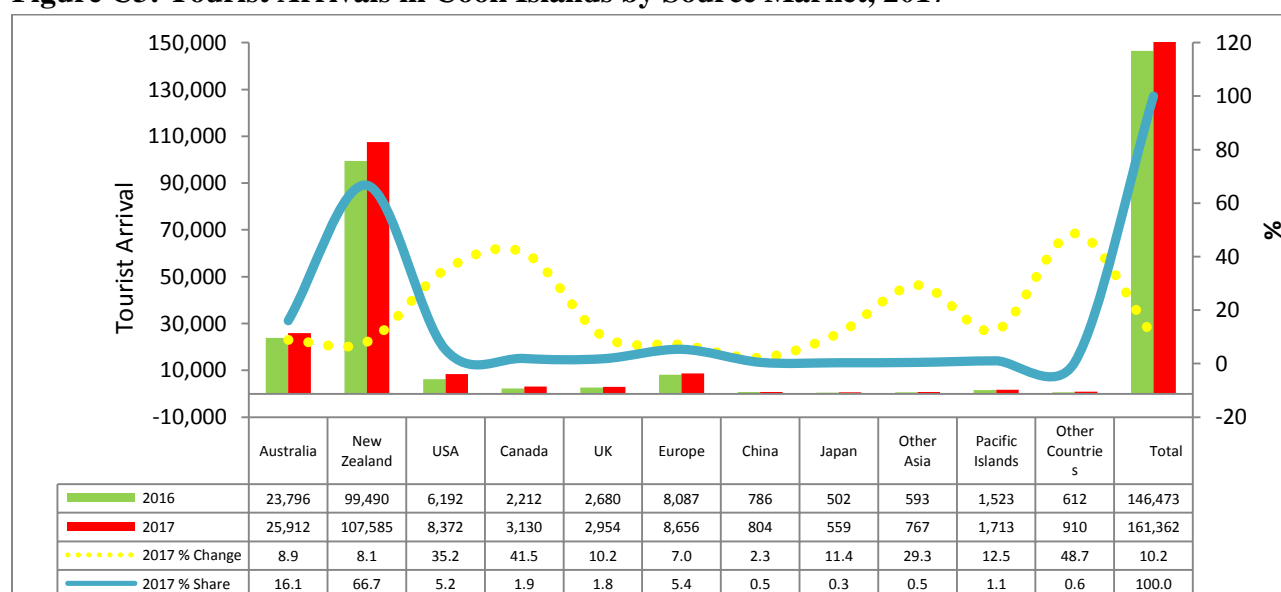


Source: American Samoa Statistics Division, Dept. of Commerce

Cook Islands

In 2017, tourist arrivals to Cook Islands rose considerably by 10.2% to 161,362 arrivals. The absolute 14,889 gain was boosted by increase in arrivals from the Cook Islands two leading markets, Australia and New Zealand by 8.9% and 8.1%, respectively. The rise in the latter mainly reflected the additional flights serving this destination with rising outbound travel demand from New Zealand residents by 5.8% during the year. The positive performance was also underlined by the double digit gain from Other countries with the maximum growth of 48.7%, Canada by 41.5%, USA 35.2%, Other Asia increased 29.3%, Pacific Islands 12.5%, Japan 11.4%, UK 10.2% with moderate growth from Europe at 7% and China by 2.3%. See details in Figure C3.

Figure C3: Tourist Arrivals in Cook Islands by Source Market, 2017

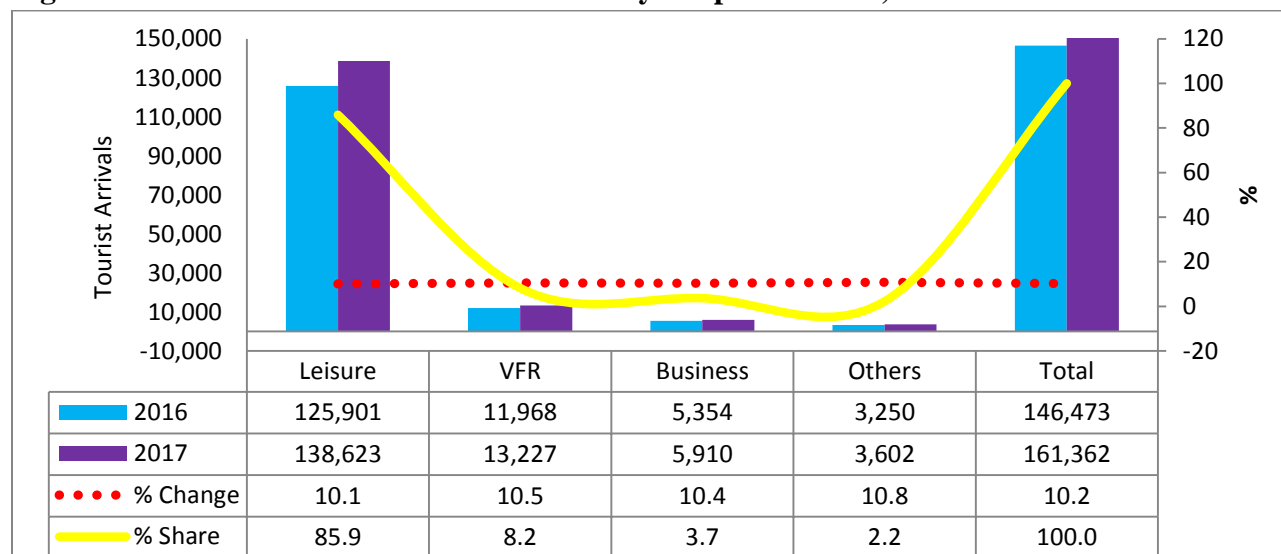


Source: Cook Islands Statistics Office

On market shares, New Zealand tourists continued to dominate arrivals to this destination with a share of 66.7% whilst Australia recorded 16.1% share. Europe and USA, the second and third highest source markets registered 5.4% and 5.2% respectively. The remaining share of 6.6% was shared amongst the remaining source markets. Details are illustrated in Figure C3.

By purpose of visit, all four segments showed strong growths in 2017 hovering around the 10% mark. In terms of shares, the leisure segment continued to have the largest share at 85.9% to 138,623 arrivals while VFR registered a share of 8.2%. The remaining 5.9% was shared amongst business and other purposes. Details are illustrated in Figure C4.

Figure C4: Tourist Arrivals in Cook Islands by Purpose of Visit, 2017



Source: Cook Islands Statistics Office

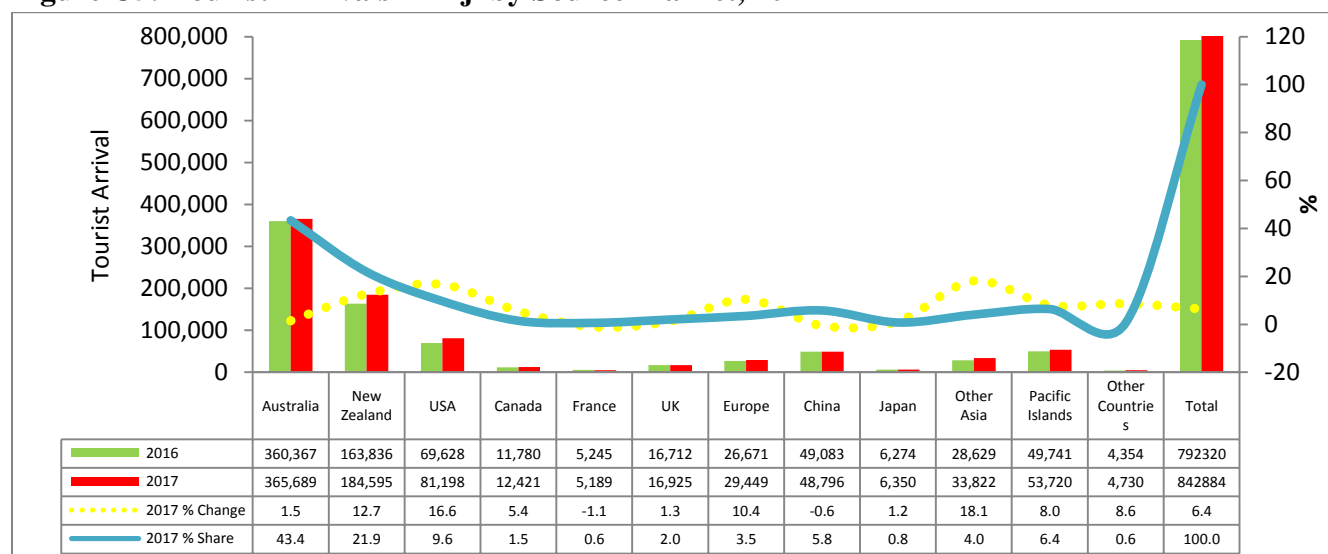
Fiji

Fiji, the top destination in the region welcomed 842,884 tourists to its shores in 2017 marking a 6.4% gain against 2016. The acceleration was mainly boosted by rising arrivals from all the source markets except for Japan and China which narrowed slightly by 1.1% and 0.6%, respectively. Fiji's top three markets, Australia, New Zealand and USA sustained growth at 1.5%, 12.7% and 16.6%, respectively. Double digit gains were also posted for Other Asia by 18.1%, USA 16.6%, and Europe by 10.4% whilst Other Countries registered 8.6%, Pacific Islands 8% and Canada at 5.4%. The remarkable performances in arrivals from these markets mainly reflected the massive tourism promotional campaigns by Fiji Tourism Industries, the establishment of new market links, increased connectivity and the completion in upgrading of the international airport in Nadi which boost arrivals during the year. Improvements to air access to Fiji were mainly associated with the launching of the Adelaide flight in June, increase of weekly direct flights to Singapore, the gateway to all the international markets and the extension of codeshare with Qantas and Cathay Pacific, linking the Asian markets.

In terms of shares, Australia continued to be the dominant source market with 43.4% share, aided by a 9.9% increase in outbound Australian residents during the year. However, this was lower than

the 45.9% share in the preceding year. New Zealand being the traditional second largest market, recorded 20.7% to 163,836 share followed by USA at 8.8% to 69,628 share. Other Pacific Islands registered 6.3% while China one of Fiji's fastest growing markets represented 6.2% share, an improvement from 5.3% in 2016. The remaining 12.6% was shared among all the other source markets. Details are shown in Figure C5.

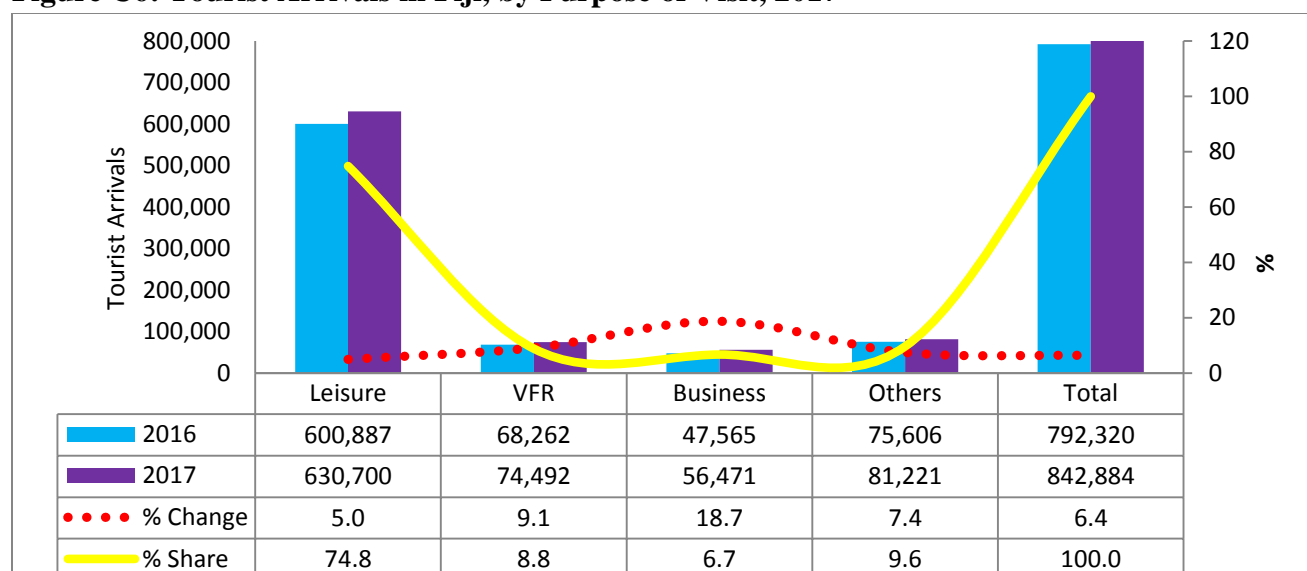
Figure C5: Tourist Arrivals in Fiji by Source Market, 2017



Source: Fiji Bureau of Statistics

On arrivals by purpose of visit, all segments for Fiji in 2017 recorded positive growth with maximum gain from business by 18.7% to 56,471 and VFR at 9.1%. Other purposes grew by 7.4% and leisure by 5%. In terms of shares, leisure tourists continued to dominate arrivals into this destination with 74.8% to 630,700 shares. Tourists visiting for other purposes registered a share of 9.6%, VFR 8.8% and business with 6.7%. Details are shown in Figure C6.

Figure C6: Tourist Arrivals in Fiji, by Purpose of Visit, 2017



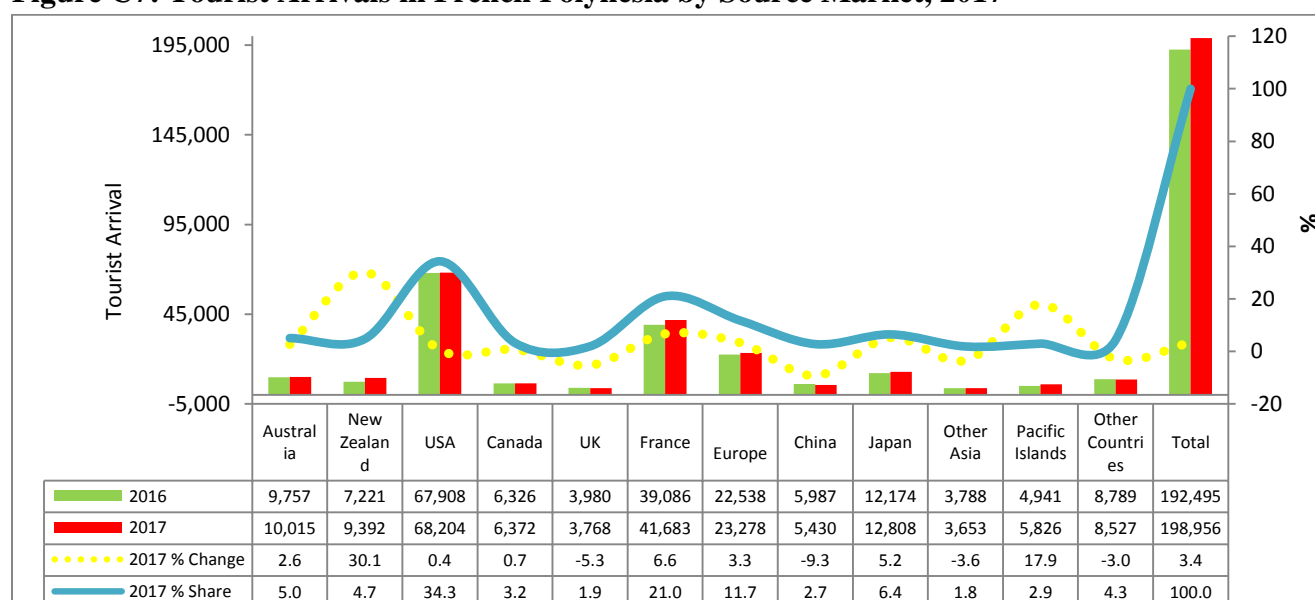
Source: Fiji Bureau of Statistics

French Polynesia

Tourist arrivals to French Polynesia, the second top destination in the region, rose further by 3.4% to 198,956 in 2017 from 192,495 arrivals in 2016. The favourable performance was underlined by double digit increase in arrivals from New Zealand by 30.1% and other Pacific Islands by 17.9%. Growth was also triggered by rising arrivals from French Polynesia top five destinations, USA by 0.4%, France 6.6%, Europe 3.3%, Japan 5.2% and Australia by 2.6%. This was further bolstered by French Polynesia popularity as one of the fifty top romantic destinations around the world,⁶ particularly Bora Bora with improved connectivity during the year. By contrast, arrivals from the United Kingdom, China, Other Asia and Other countries dropped during the year.

On shares, USA continued to dominate arrivals to French Polynesia with share of 34.3%. France followed at 21% share, Europe 11.7%, Japan 6.4%, Australia 5% and New Zealand at 4.7% share. The remaining 16.9% was shared amongst all the other source markets. See details in Figure C7.

Figure C7: Tourist Arrivals in French Polynesia by Source Market, 2017



Source: Institut de la Statistique de la Polynesie Francaise

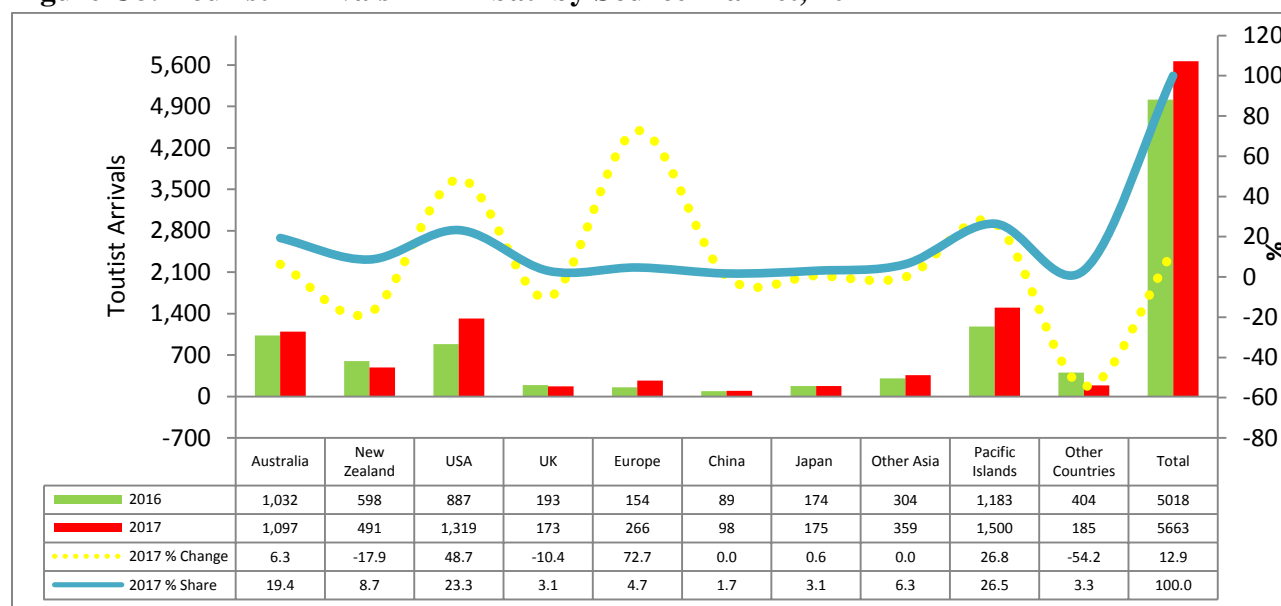
Kiribati

Tourist arrivals in Kiribati grew considerably by 12.9% to 5,663 arrivals in 2017 compared to 5,018 arrivals in the preceding year. The positive performance was boosted by a surge in arrivals from Europe by 72.7%, USA 48.7%, Pacific Islands 26.8% with a moderate and mild gain from Australian and Japan, respectively. The favourable performance also reflected the increased connectivity with additional weekly flights from the Solomon Airlines serving the Brisbane and Kiribati route in the second half year. By contrast, arrivals to this destination from New Zealand, UK and Other countries dropped with the latter showing the highest fall by 54.2%.

⁶ Source; US News and World Report, December 2017

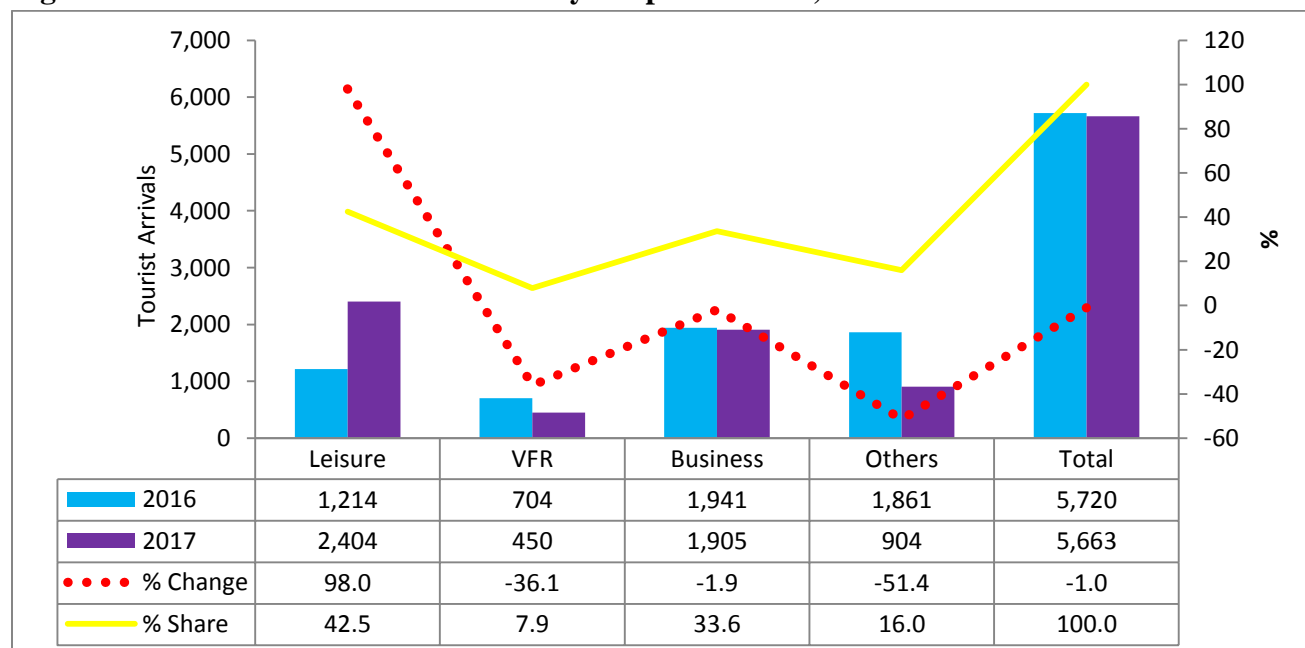
On market shares, the majority of the tourists at 26.5% to 1,500 shares came from other Pacific Islands overtaking Australia and USA which represented share of 19.4% and 23.3% each. New Zealand recorded a share of 8.7% while Europe rallying fourth with 4.7%. Other source markets accounted for the remaining 17.4% share. Figure C8 clearly illustrates the details.

Figure C8: Tourist Arrivals in Kiribati by Source Market, 2017



Source: Kiribati National Tourism Office

Figure C9: Tourist Arrivals in Kiribati by Purpose of Visit, 2017



Source: Kiribati National Tourism Office

Analysis by purpose of visit for Kiribati revealed that all segments in 2017 registered fall in arrivals except for leisure which grew by a remarkable 98%. Other purposes contracted by 51.4% while VFR and business dipped by 36.1% and 19% respectively. On shares, majority of tourists to

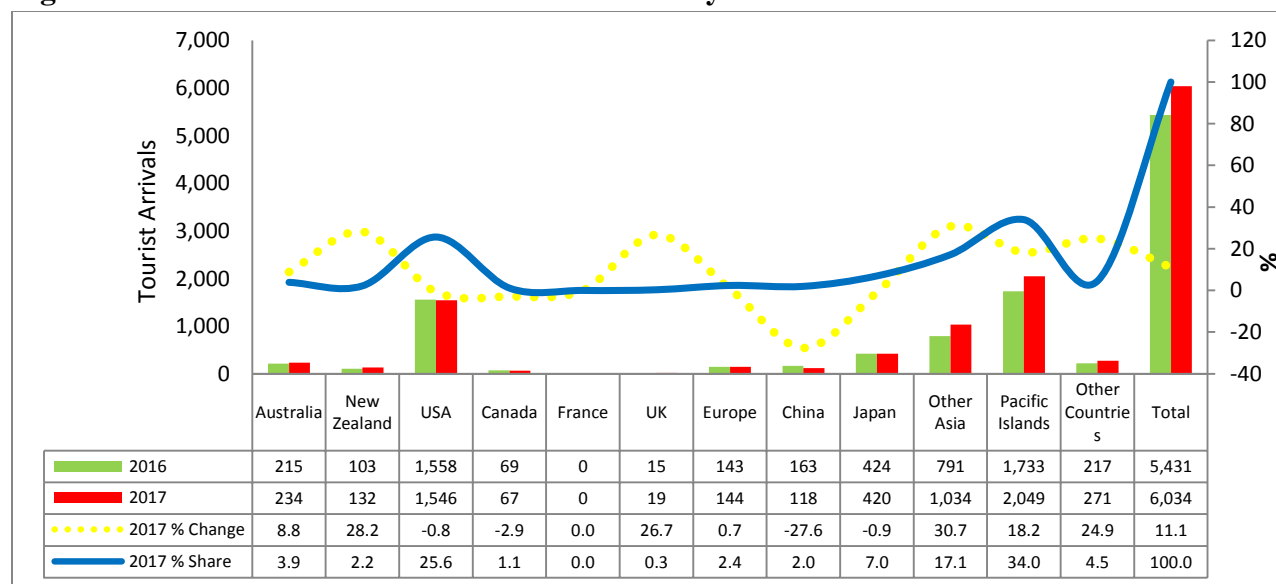
Kiribati in 2017 were leisure tourists and accounted for 42.5% shares. Business with 33.6% share, while other purpose of visit and VFR represented shares of 16% and 7.9% respectively. Details are shown in Figure C9

Marshall Islands

In 2017, Marshall Islands received 6,034 tourists and this marked an 11.1% gain from the preceding year. The solid growth was triggered by rising arrivals from all the source markets except for USA, Canada and China which dropped by 0.8%, 2.9% and 27.6% respectively. Meanwhile, visitors from other Pacific Islands, the top key source market for this destination rose by 18.2%. This was mainly boosted by increased connectivity from weekly Nauru Airlines flights through the island nation. Arrivals from Other Asia surged by 30.7%, New Zealand gained by 28.2%, United Kingdom up 26.7%, and Europe rising by 0.7%.

In terms of shares, Pacific Islands dominated arrivals with 34%. USA rallied behind at 25.6%, followed by other Asia mainly Taiwanese at 17.1%, Japan 7%, other countries 4.5% and Australia at 3.9%. The remaining 16.3% was shared amongst all the other source markets. See details in Figure C10.

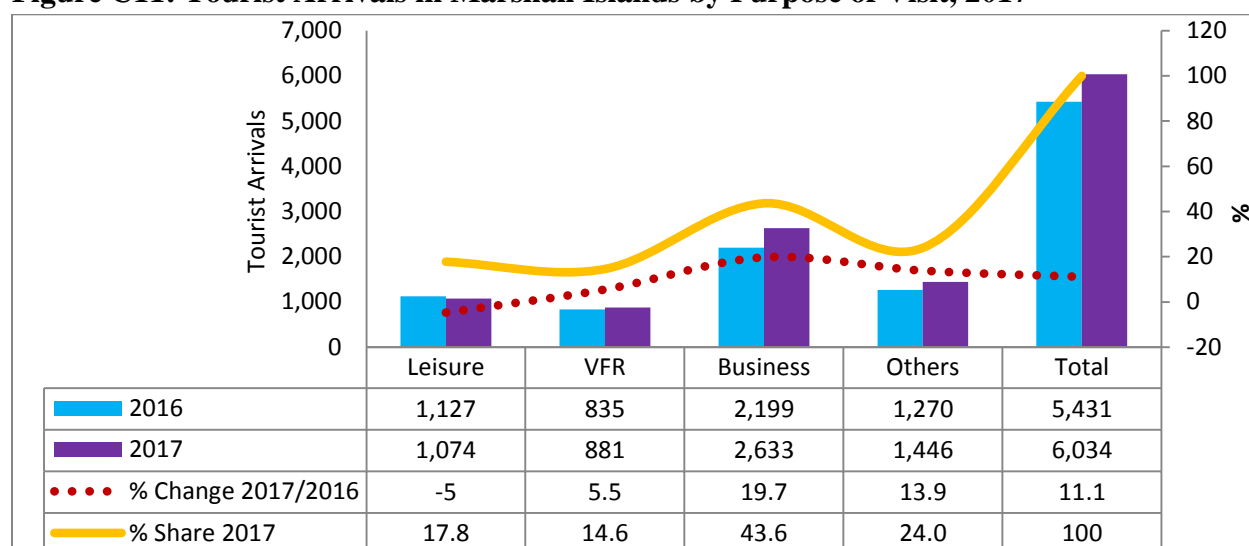
Figure C10: Tourist Arrivals in Marshall Islands by Source Market



Source: Marshall Islands Visitors Authority

On arrivals by purpose of visit, all segments for Marshall Islands in 2017 recorded positive growth except for leisure which dropped by 5% against the year before. Business and Other purposes recorded double digit growth of 19.7% and 13.9%, respectively whilst VFR rose by 5%. In terms of shares, business tourists continued to dominate arrivals into this destination with 43.6% to 2633 shares. Tourists visiting for Other purposes registered a share of 24%, leisure 17.8% and VFR with 14.6%. Details are shown in Figure C11.

Figure C11: Tourist Arrivals in Marshall Islands by Purpose of Visit, 2017

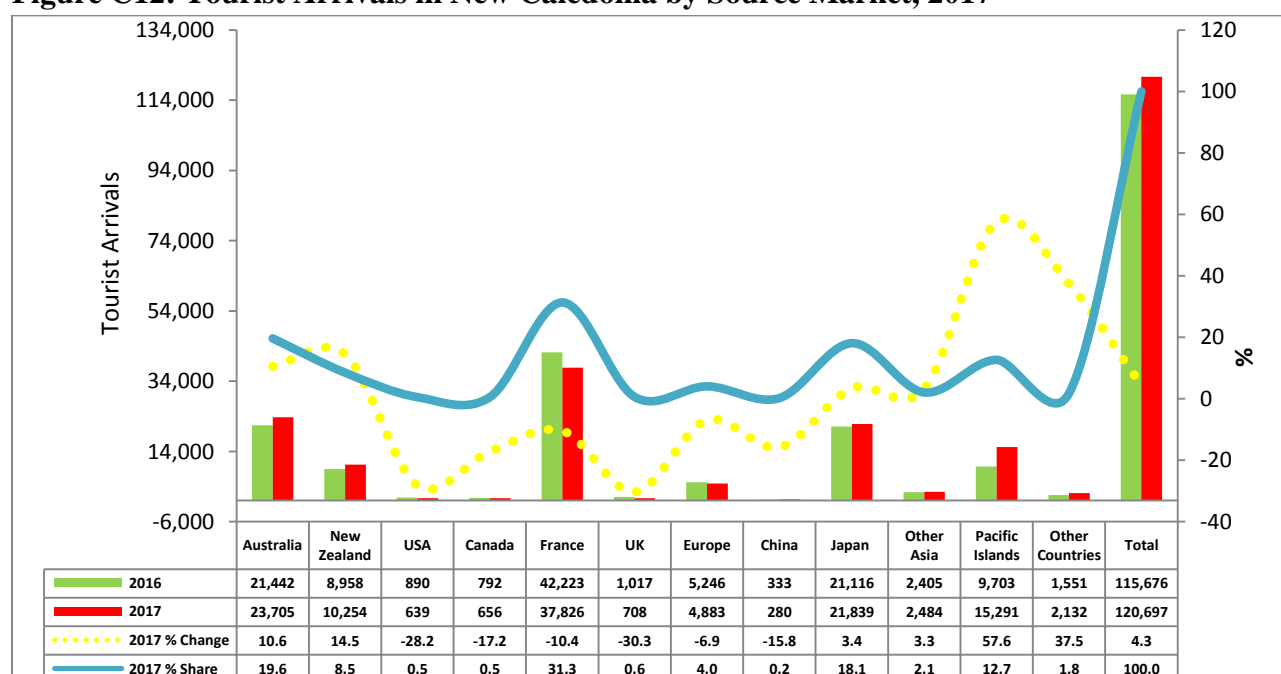


Source: Marshall Islands Visitors Authority

New Caledonia

Tourist arrivals in New Caledonia rose by 4.3% to 120,697 in 2017 following a stronger 14% increase in 2016. The consecutive growths was bolstered by maximum surge in arrivals from Pacific Islands, by 57.6%, double digit gain from Other countries by 37.5%, New Zealand 14.5%, Australia 10.6% with moderate growth from Japan (3.4%) and Other Asia (3.3%). The favourable performance was partly due to increased international promotional campaigns of this destination, at major source markets in France, Australia, New Zealand and Japan during the year. Meanwhile, tourist arrivals to New Caledonia from Europe, China, Canada, France, USA and UK contracted with the latter showing the highest fall by 30.3%.

Figure C12: Tourist Arrivals in New Caledonia by Source Market, 2017

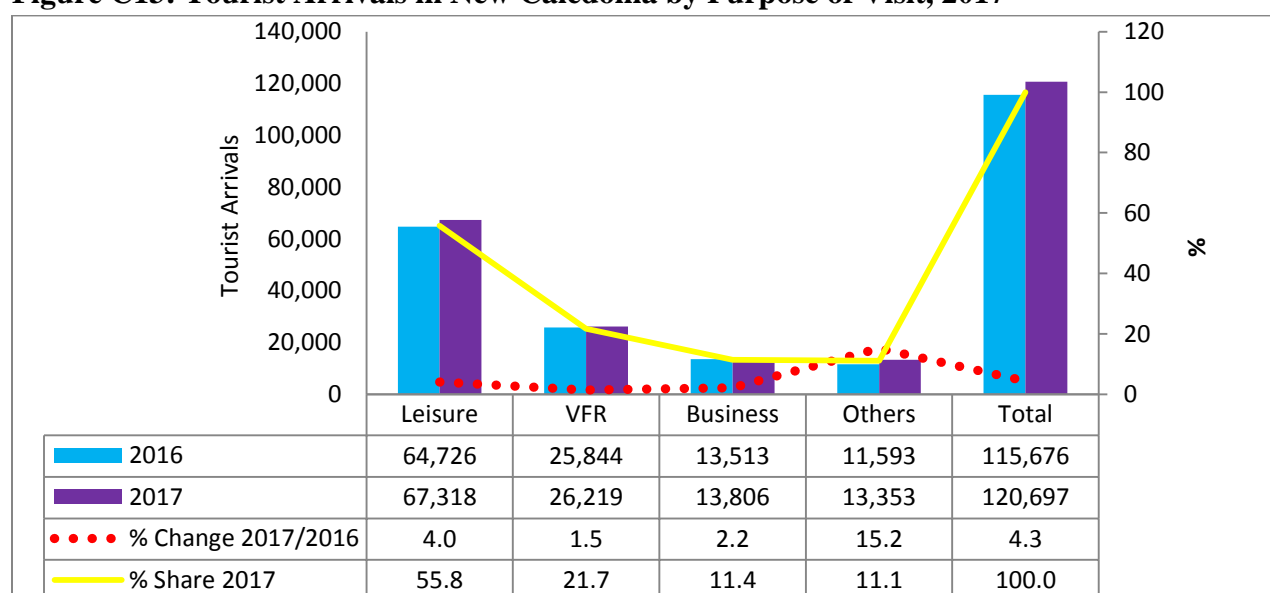


Source: Institut de la statistique et des etudes economiques Nouvelle-Caledonie

The leading market, France continued its dominance in New Caledonia accounting for 31.3% share to 37,826 in 2017. However, this was below the 44.5% share witnessed in the preceding year. Australia surpassed Japan with 19.6% while the latter recorded a share of 18.1%. Pacific Islands followed at 12.7% share with New Zealand at 8.5%. The remaining 9.8% was shared amongst all the other source markets. Details are illustrated in Figure C12.

By purpose, the leisure segment continued to have the largest portion in 2017 with 55.8% to 67,318 in New Caledonia tourist arrivals. However, this was slightly lower compared to the 57.4% share registered in 2016. Tourists visiting friends and relatives the second highest represented 21.7% while business and other purposes segments accounted for 11.4% and 11.1%, respectively. On growth comparisons, all segments increased over the previous year with Other purposes showing the strongest growth by 15.2%. Details are shown in Figure C13.

Figure C13: Tourist Arrivals in New Caledonia by Purpose of Visit, 2017



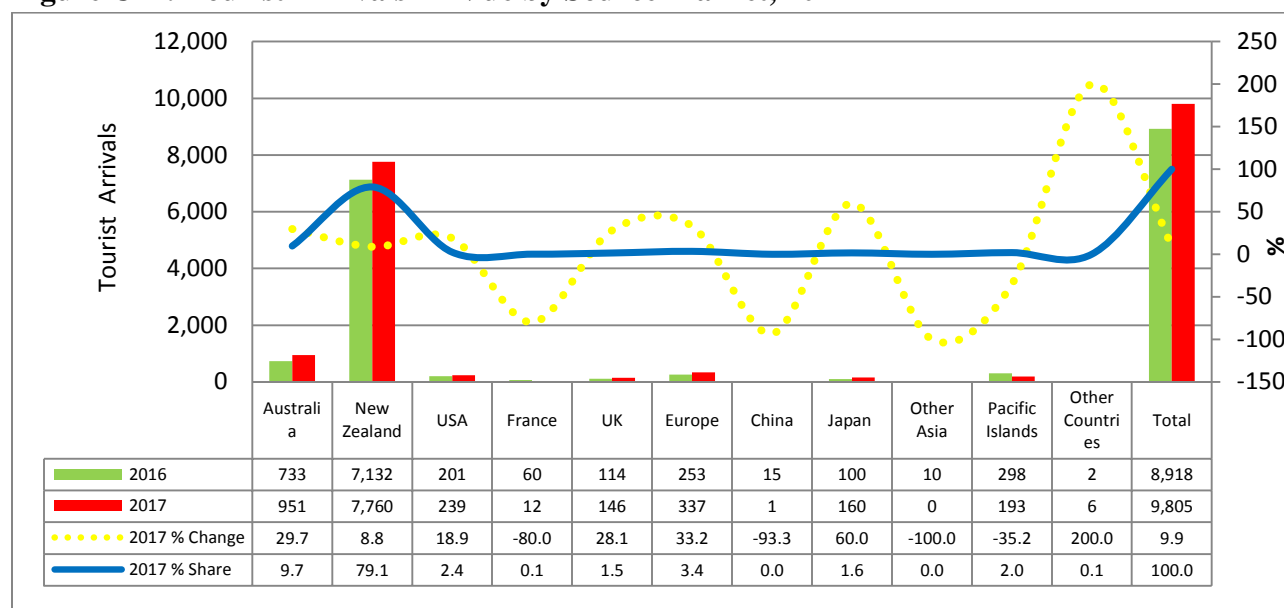
Source: Institut de la statistique et des études économiques Nouvelle-Calédonie

Niue

Tourist arrivals to Niue rose further by 9.9% to 9805 in 2017, following the 15.7% gain in 2016. Growth was driven by rising arrivals from Niue's top four source markets, New Zealand by 8.8%, Australia 29.7%, Europe 33.2% and USA by 28.1%. The double digit increase in arrivals from the United Kingdom and Japan by 28.1% and 60%, respectively also attributed to the positive performance in 2017. This reflected the new air services agreement with Air New Zealand increasing to two flights a week servicing the Niue and the New Zealand route. The positive outcome also mirrored the promotions in marketing the low seasons and the events hosted by the Niue Tourism industry during the year. Meanwhile, arrivals from France, China, Other Asia and Pacific Islands decelerated over the year.

By shares, New Zealand market dominated arrivals to Niue by 79.1% to 7,760 in 2017. This was followed by Australia at 9.7%, Europe 3.4%, USA 2.4%, and Pacific Islands by 2%. All the other remaining countries accounted for the 3.3% share. See details in Figure C14.

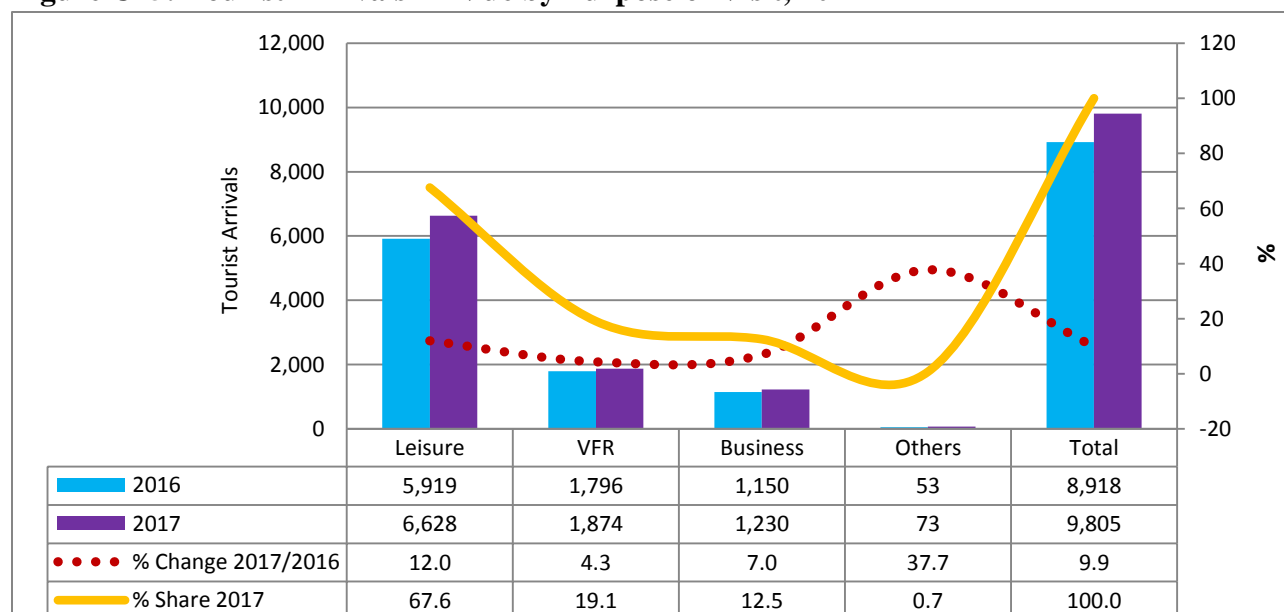
Figure C14: Tourist Arrivals in Niue by Source Market, 2017



Source: Niue National Statistics Office

Analysis by purpose of visit revealed that arrivals to all market segments grew in 2017. Leisure which accounted for the majority of the arrivals at 67.6% rose by 12%, VFR the second highest at 19.1% share rose by 4.3%, business at 12.5% increased by 7% and Other segment with 0.7% share grew by 37.7% during the year. See Figure C15 for details.

Figure C15: Tourist Arrivals in Niue by Purpose of Visit, 2017

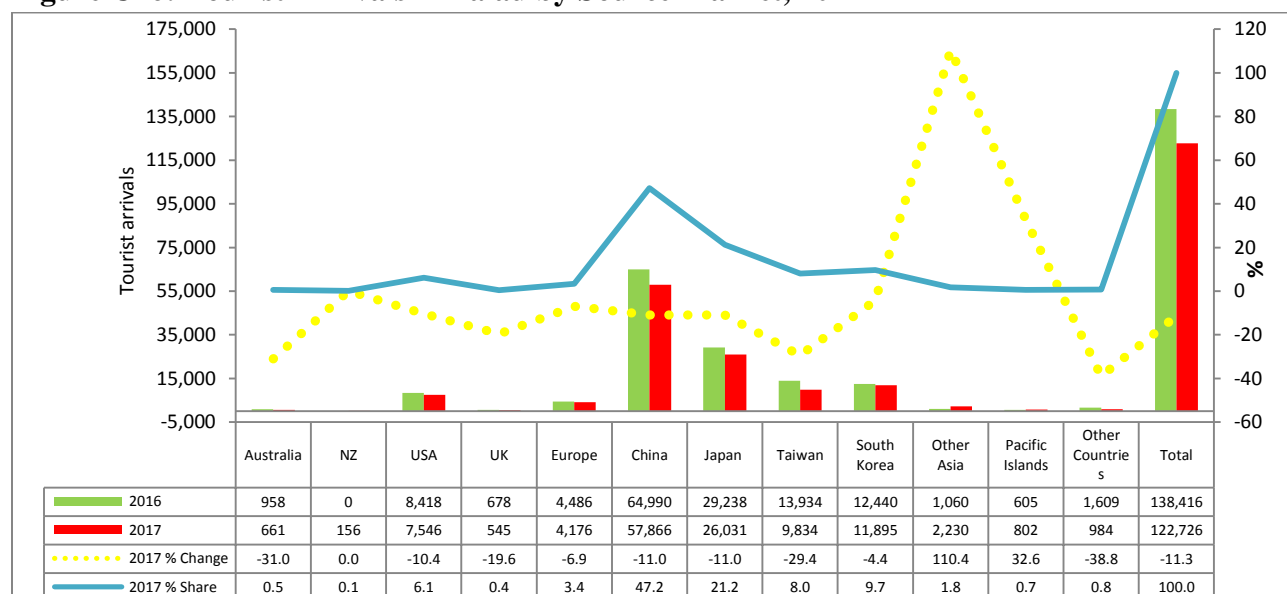


Source: Niue National Statistics Office

Palau

Tourist arrivals to Palau shrank by 11.3% to 122,726 in 2017, as opposed to the 14.5% growth witnessed in the preceding year. The marked fall of 15,690 stemmed largely from the decline in arrivals from Palau's top four markets, China and Japan by 11% each, Taiwan 29% and South Korea by 4.4%. The double digit fall in arrivals from Australia by 31%, USA 10.4% with a 6.9% drop from Europe also attributed to the weak performance. The dip in Chinese arrival was in part related to the adverse advice on the Chinese travel agents on taking flight and travel bookings to Palau. The deceleration in arrivals is also related to Palau's plan in attracting high yield arrivals with a more focused market, on wealthy visitors in Australia, New Zealand, Japan and the USA.

Figure C16: Tourist Arrivals in Palau by Source Market, 2017



Source: Palau Visitors Authority. **Note:** Palau's data on purpose of visit not available.

Despite the decline in arrivals from China, this market continued to be Palau's major source of arrivals with 47.2% share followed by Japan with 21.1%. The Asian markets of South Korea and Taiwan registered shares of 9.7% and 8% respectively. All the other source markets shared the remaining 14% of which USA represented 6.1% and Europe 3.4%. See Figure C16 for details.

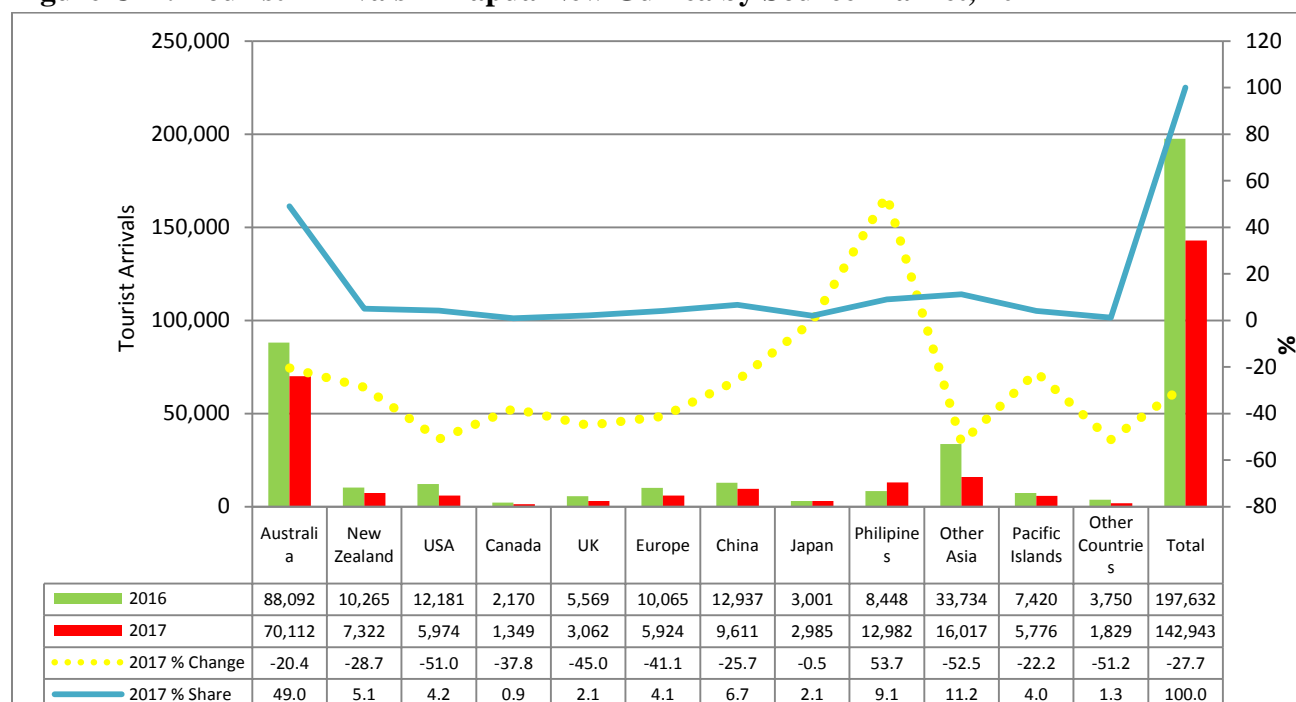
Papua New Guinea

Visitor arrivals in Papua New Guinea contracted further by 27.7% to 142,943 in 2017 following the mild 0.5% drop in the year before. The marked decline of 54,689 was underpinned by persistent fall in arrivals from all source markets except for Philippines which surge by 53.7%. The four leading markets for PNG, Australia, Other Asia, New Zealand and China posted double digit fall with arrivals from USA, UK, Europe, Canada, Pacific Islands and Other countries experiencing the same. The weak performance was mainly dragged down by the 12.8% reduction in arrivals in the third and fourth quarters, outweighing the high arrivals in the first half year of 2017.

Disaggregating by markets, Australia continued to be the major source market and accounted for 49% of the total tourists received by Papua New Guinea in 2017. Other Asia, the second highest

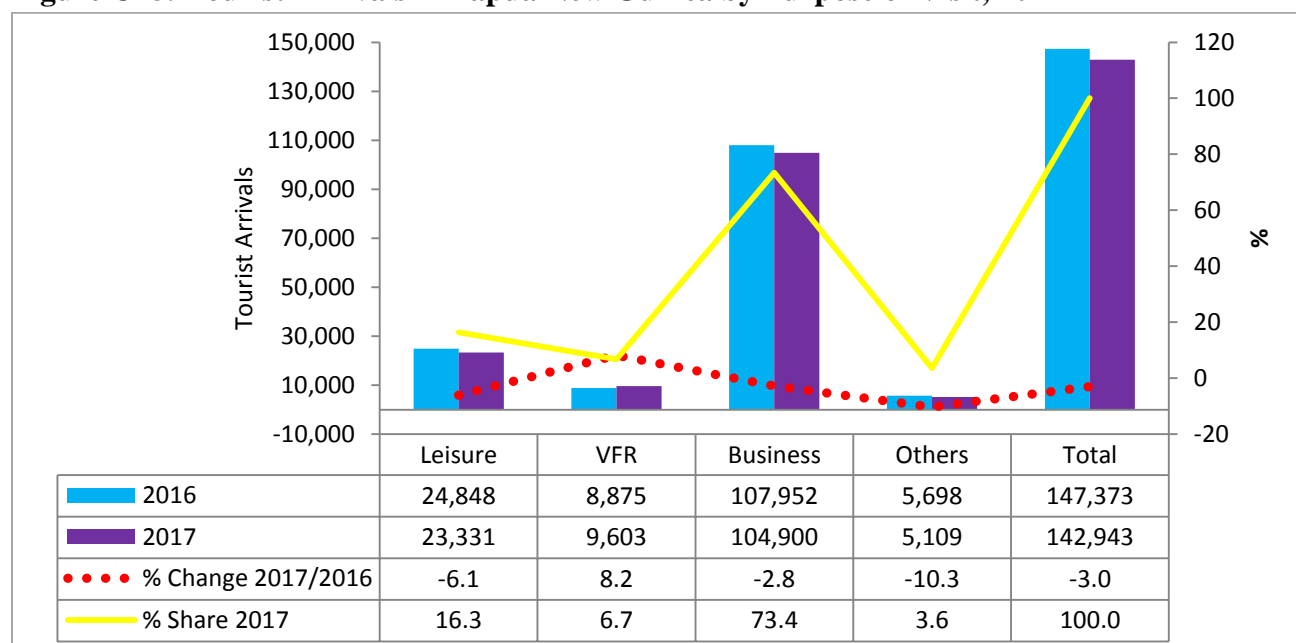
source market accounted for 11.2% followed by Philippines with 9.1%, China 6.7%, USA 4.2% whilst Europe and Pacific Islands recorded shares of 4.1% and 4%, respectively. The remaining 11.7% was shared amongst all the other source markets during the year. See Figure C17 for details.

Figure C17: Tourist Arrivals in Papua New Guinea by Source Market, 2017



Source: Papua New Guinea Tourism Promotion Authority

Figure C18: Tourist Arrivals in Papua New Guinea by Purpose of Visit, 2017



Source: Papua New Guinea Tourism Promotion Authority

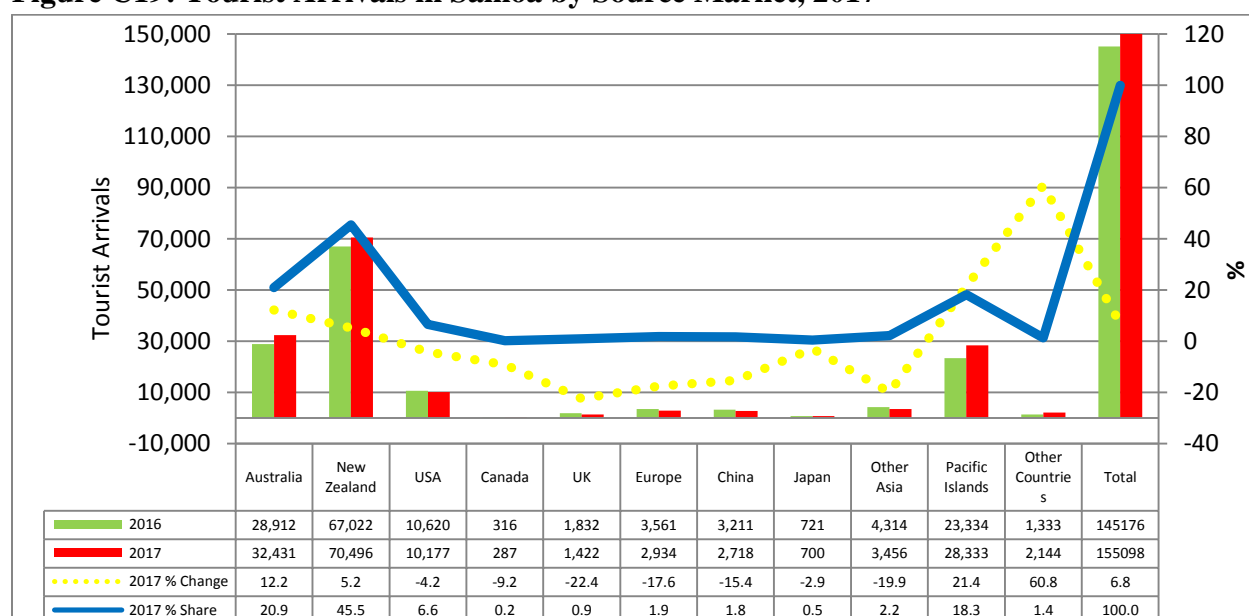
By purpose of visit, VFR registered a growth of 8.2% while the remaining three segments declined. Other purposes declined by 10.3% while leisure and business shrank by 6.1% and 2.8% respectively. On shares, business tourists despite the fall dominated PNG's arrivals with 73.4% to 104,900. Leisure tourists represented 16.3% to 23,331 shares while tourists on visiting friends and relatives accounted for 6.7%. The remaining 3.6% share was for tourists visiting for all other purposes. See Figure C18 for details.

Samoa

Tourists visiting Samoa in 2017 rose further by 6.8% to 155,098 following a 6.7% growth in the year before. The marked 9,922 gain was boosted by increasing arrivals from Samoa's top three markets, New Zealand by 5.2%, Australia 12.2% and Pacific Islands by 18.3%. The positive performances partly reflected the high outbound travel demand to Samoa by New Zealand and Australian residents by 10% and 5.5%, respectively. The continuous promotional campaigns and increased connectivity through commencing of the Samoa Airways international flights between Samoa and New Zealand and Australia in November 2017 and continuous flights between Samoa and American Samoa further boosted arrivals to this destination. Growth was also fuelled by sharp increase in arrivals from Other countries by 60.8%. This more than offset the decrease in arrivals from UK, Other Asia, Europe, China, Canada, USA and Japan during the year.

On market shares, New Zealand continued to be the dominant source market for Samoa in 2017 accounting for 45.5% to 70,496 share while Australia rallied in second with 20.9% to 32,431. Pacific Islands, the third largest source market represented share of 18.3%, while USA accounted for 6.6% share. All other countries accounted for the remaining 8.7%. Details are shown in Figure C19.

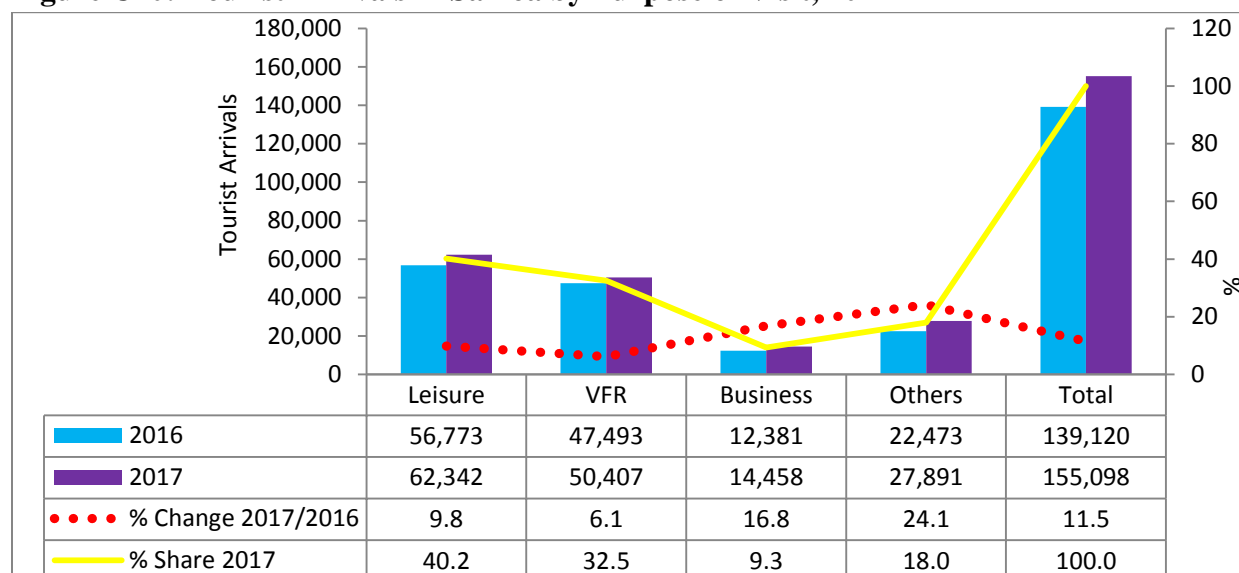
Figure C19: Tourist Arrivals in Samoa by Source Market, 2017



Source: Samoa Tourism Authority

Disaggregating arrivals by purpose of visit, all segments trended upward in 2016. Tourists visiting for other purposes grew by 24.1%, business tourists up 16.8%, while leisure and VFR went up by 9.8% and 6.1%, respectively. On shares, tourists on leisure accounted for the majority of Samoa arrivals at 40.2%, VFR followed at 32.5%, Other purpose of visit by 18% while business accounted for the remaining 9.3% share.

Figure C20: Tourist Arrivals in Samoa by Purpose of Visit, 2017



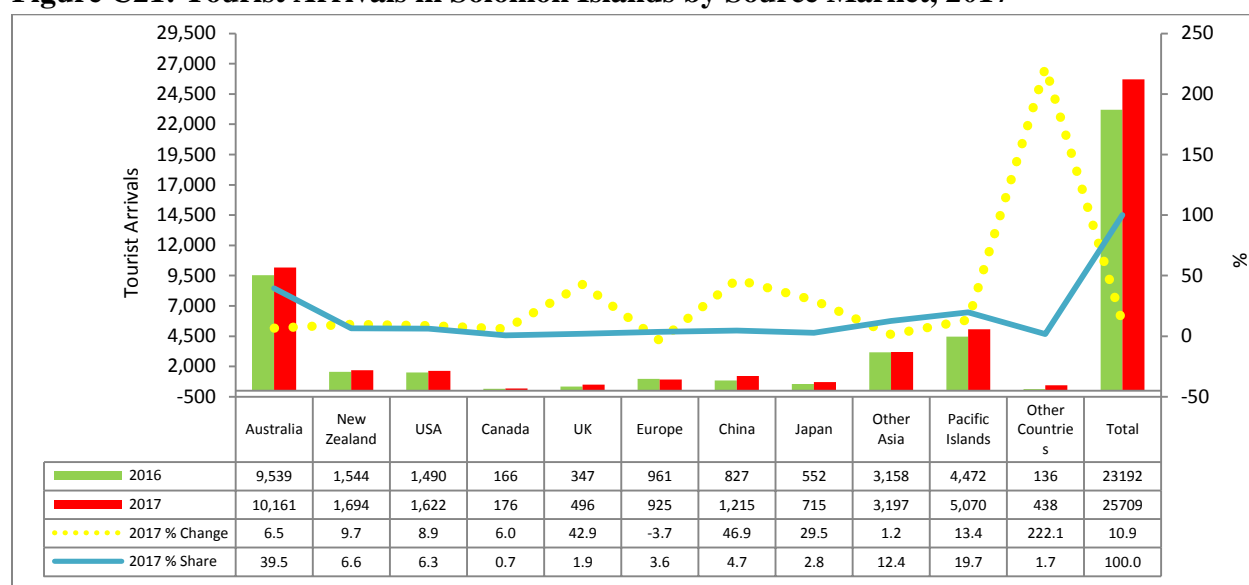
Source: Samoa Tourism Authority

Solomon Islands

Tourist arrivals to Solomon Islands registered an impressive 10.9% gain to 25,709 in 2017, following a 7.3% growth in 2016. The marked 2,517 more arrivals was triggered by remarkable performances in all the source markets except for Europe which shrank by 3.7%. Aside from Other countries recording a maximum rise of more than threefold, China out-performed all the markets by a significant 46.9% surge in arrivals to this destination. Solomon Islands top four markets, Australia, Pacific Islands, Other Asia and New Zealand also posted growth of 6.5%, 13.4%, 1.2% and 9.7%, respectively. Double digit growths were also recorded for UK and Japan with 6% jump from Canada. The positive results reflected the continued international marketing campaigns by the Solomon Islands Tourism Industry. This was further bolstered by increased connectivity through additional flights, new air service arrangements with the Nauru Airlines, and new code share services between Air New Guinea and Air Vanuatu during the year.

On market shares, Australia continued to be the dominant source market for Solomon Islands and accounted for 39.5% share. However, this was below the 41.1% seen in the preceding year. Other Pacific Islands, the second largest source market for Solomon Islands represented 19.7%, followed by New Zealand at 6.6%, USA 6.3% and China accounting for 4.7%. All other source markets make up for the remaining 23.2% share. See details in Figure C18.

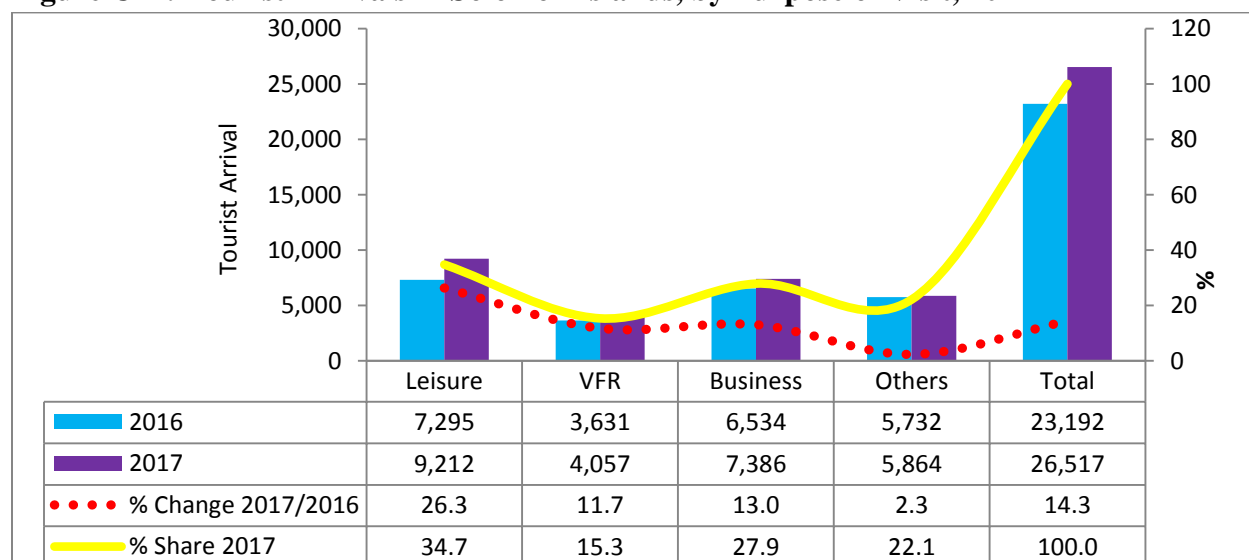
Figure C21: Tourist Arrivals in Solomon Islands by Source Market, 2017



Source: Solomon Islands National Statistics Office and Solomon Islands Visitors Bureau

Analysis by purpose of visit showed that all segments registered growths. Leisure recorded the strongest growth by 26.3%, business at 13% while VFR and other purposes rose by 11.7% and 2.3% respectively. On shares, the leisure segment received the highest at 34.7% to 9,212, business followed at 27.9% to 7,386, VFR represented 15.3% whilst tourists' on other purposes' recorded the remaining share of 22.1%. See details in Figure C22.

Figure C22: Tourist Arrivals in Solomon Islands, by Purpose of Visit, 2017

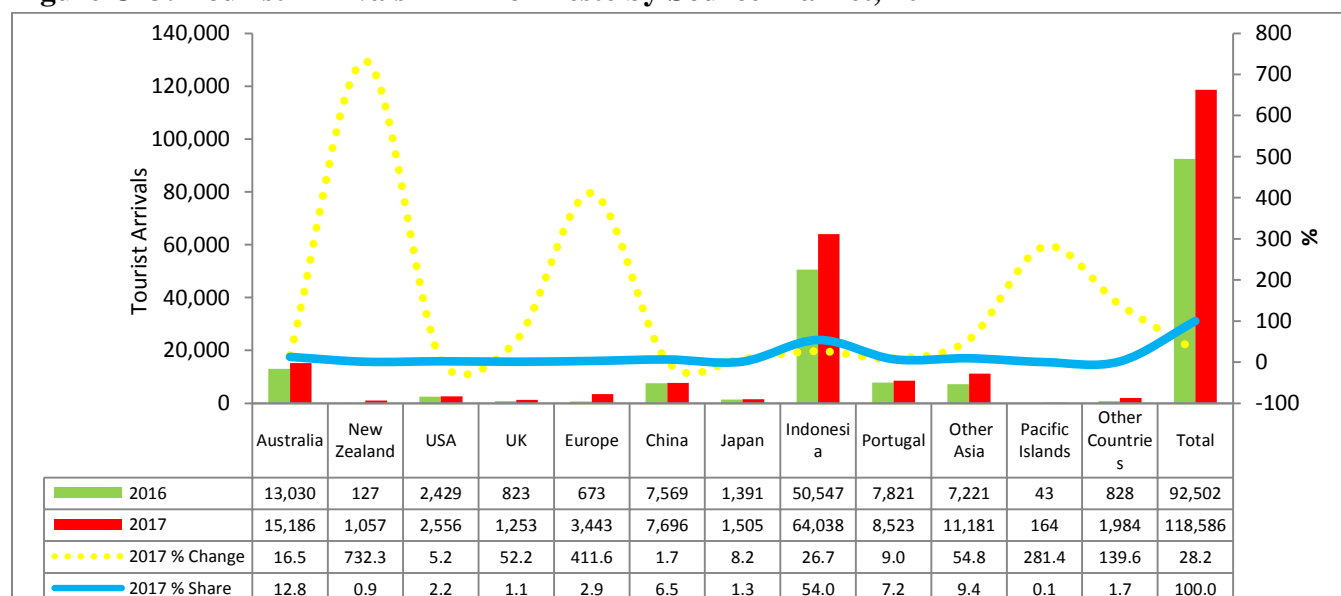


Source: Solomon Islands National Statistics Office and Solomon Islands Visitors Bureau

Timor Leste

In 2017, 118,586 tourists visited Timor Leste recording a 28.2% growth in comparison to the preceding year. The positive performance was driven by double digit increase in arrivals from Timor Leste's three leading markets, Indonesia by 26.7%, Australia 16.5% and Other Asia by 54.8%. This was aided by increased connectivity through direct flights between Dili capital city of Timor Leste and Darwin in Australia, Denpasar and Jakarta in Indonesia, one of the airports ranked as the 7th most connected airport in the world, and direct flights by Air Timor to Singapore. Growth was also supported by a significant rise in arrivals from New Zealand, Pacific Islands, Europe and Other countries with moderate growth from all the other source markets. Timor Leste's tourism industry is in its early stages but is growing rapidly from visitors on business purposes.

Figure C23: Tourist Arrivals in Timor Leste by Source Market, 2017



Source: Timor Leste Ministry of Tourism. **Note:** Data unavailable for Timor Leste's visitors by purpose of visitor

On shares, Indonesia which is the closest neighbor to this destination dominated arrivals at 54.8% to 64,038. Australia rallied in second with a share of 12.8% while Other Asia registered 9.4%. The remaining 23% was shared amongst all the other source markets with Portugal accounting for 7.7% and China 6.5%. See Figure C23

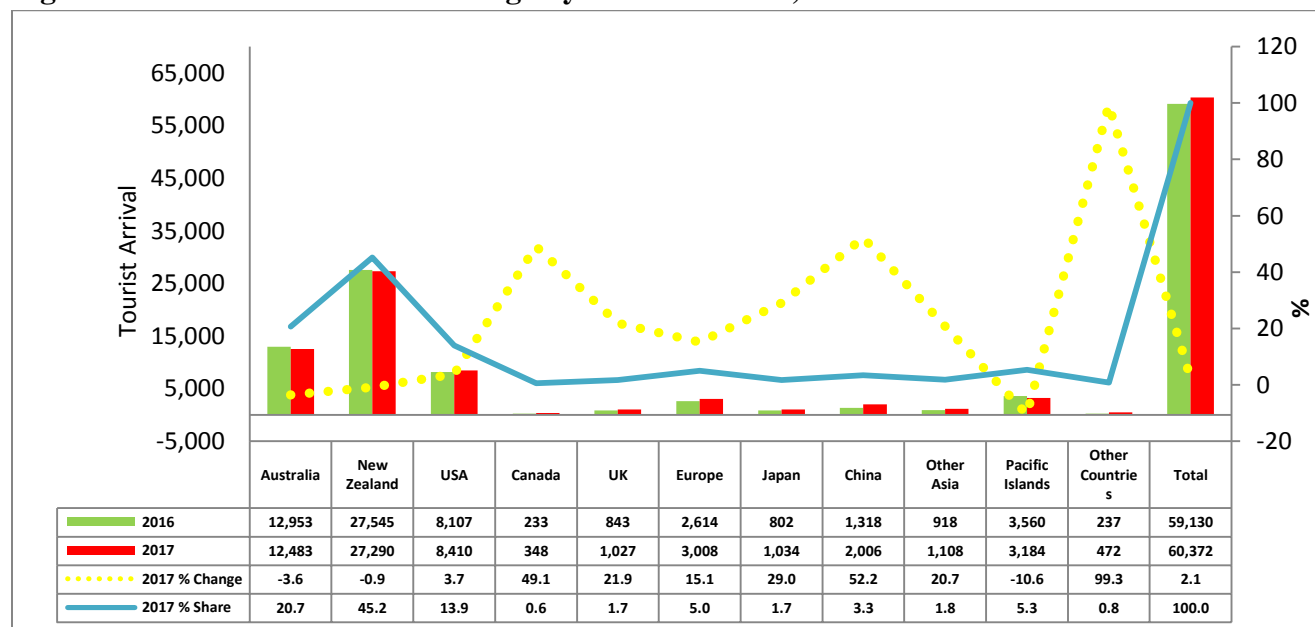
Tonga

Tourist arrivals to Tonga in 2017, estimated to increase slightly by 2.1% (or 1,242) to 60,372 following a stronger 10% growth registered a year prior. Growth is expected to come from rising arrivals from Other countries, China, Canada, Japan, UK, Other Asia, Europe and USA. Contrastingly, arrivals from Pacific Islands, Australia and New Zealand are expected to fall against the preceding year.

In terms of market shares, New Zealand continued its dominance at 45.2% to 27,290 share while Australia the second major market accounted for 20.7% to 12,483 share. USA the third largest market registered share of 13.9% while Pacific Islands and Europe represented 5.3% and 5%

respectively. The remaining 9.9% was shared amongst all the other source markets. Details are shown in Figure C24.

Figure C24: Tourist Arrivals in Tonga by Source Market, 2017



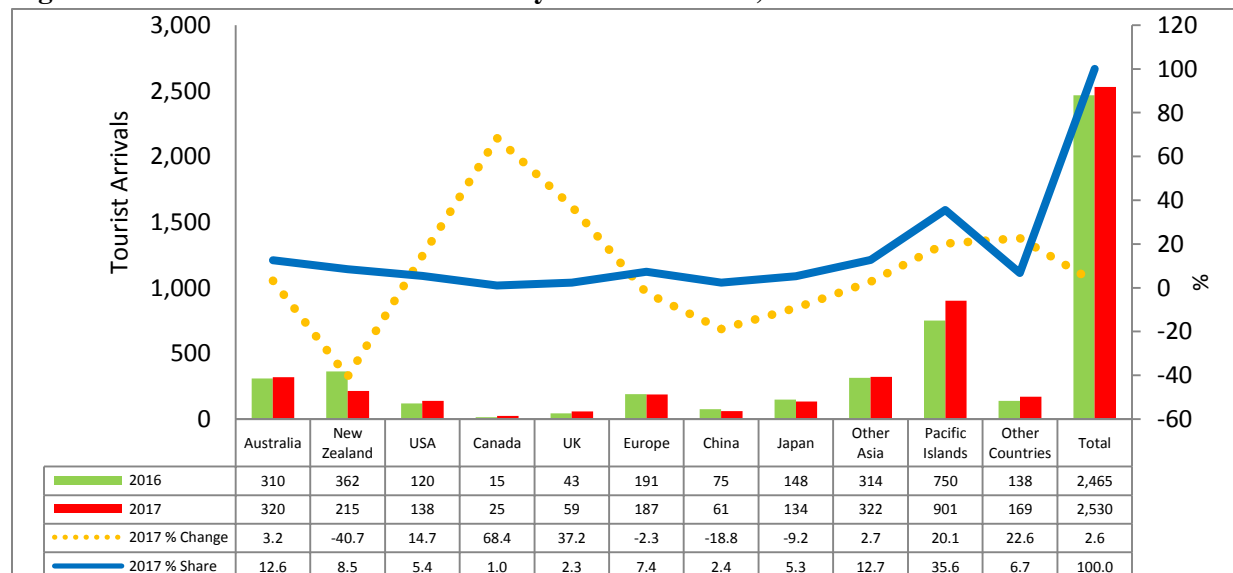
Source: Tonga Ministry of Tourism, SPTO Estimates

Notes: Actual figure up to September 2017. SPTO estimates, only for Q4 2017, based on averages of the past four months.

Tuvalu

Tourist arrivals in Tuvalu posted an estimated 2.6% growth to 2,530 in 2017 following the 5.2% growth in 2016. The positive trend stemmed from estimated increasing arrivals from all source markets whilst arrivals from New Zealand, China, Japan and Europe are decelerated over the year.

Figure C25: Tourist Arrivals in Tuvalu by Source Markets, 2017



Source: Tuvalu Ministry of Tourism & SPTO Estimates

Note: Actual data for Tuvalu up to September 2017. SPTO estimates, only for Q4 2017, based on averages of the past four months

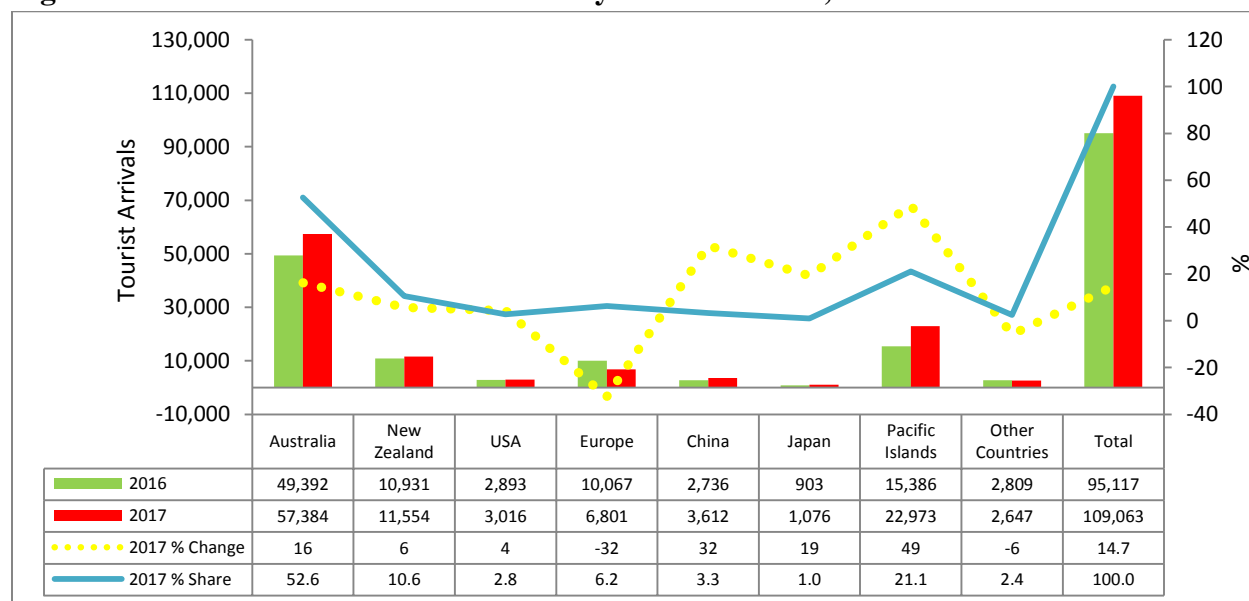
On shares, Pacific Islands dominated arrivals with estimated share of 35.6%, Other Asia 12.7%, Australia 12.6%, New Zealand 8.5% whilst Europe at 7.4%. The remaining 23.2% is expected to be shared amongst all the other markets. See details in Figure C25.

Vanuatu

Tourist arrivals to Vanuatu posted a further impressive gain of 14.7% to 109,063 in 2017 following a stronger 20% increase in 2016. The acceleration stemmed largely from a double digit increase in arrivals from Vanuatu's two leading markets, Australia and other Pacific Islands by 16.2% and 49.3%, respectively and New Zealand the third top market by 5.7%. The positive performances in arrivals from Australia and New Zealand reflected the launching of a major digital campaign, 'wake up in Vanuatu' and high outbound travel demand to this destination. Meanwhile, the surge from Other Pacific Islands was triggered by increased visitors mainly for business conferences, and the one-off Pacific Mini Games that was held in Vanuatu. The surge in Chinese arrivals by 32%, Japanese 19% and USA rising by 4% also attributed to the positive outturn. In contrast, tourist arrivals from Europe and Other countries decelerated with the former recording the highest fall by 32%.

On market shares, leading market Australia scoped more than half of the total arrivals in Vanuatu by 52.6% to 57,384. Other Pacific Islands followed at 21.1%, New Zealand 10.6%, Europe 6.2%, and China at 3.3%. All other countries accounted for the remaining 6.2% share. See Figure C26 for further details

Figure C26: Tourist Arrivals in Vanuatu by Source Market, 2017

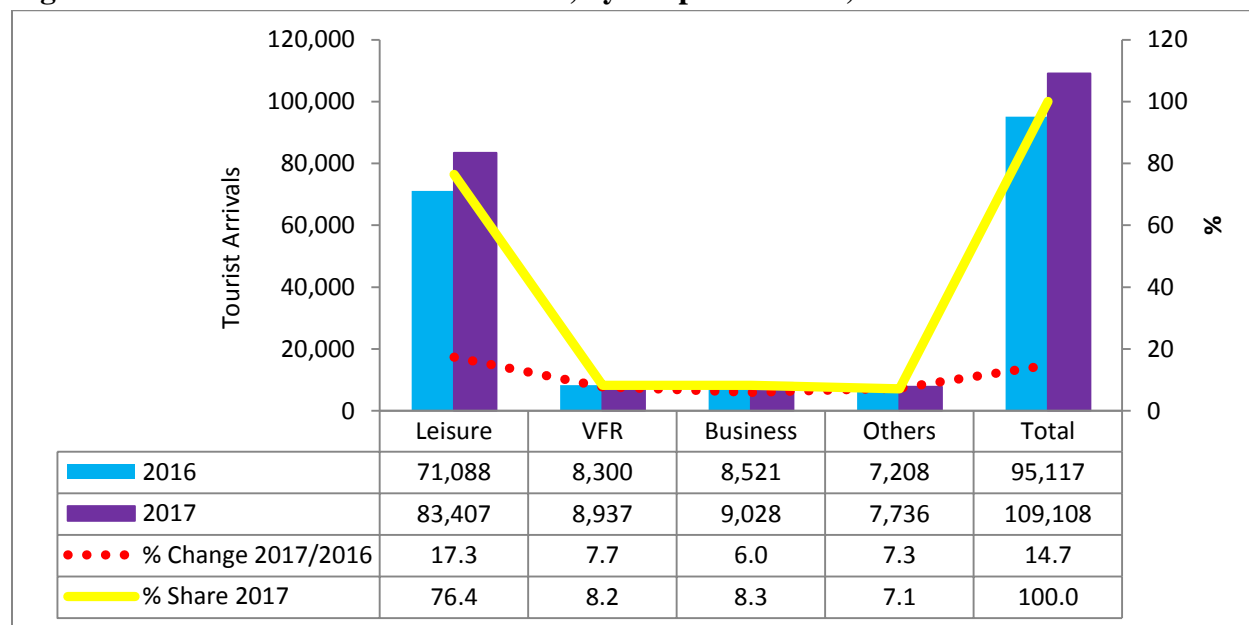


Source: Vanuatu National Statistics Office

Disaggregating arrivals by purpose of visit, leisure tourists to Vanuatu expected to increase by 14%, business 10.6%, VFR 2.8% and Other purposes growing by 1.9%. On shares, leisure tourists expected to dominate Vanuatu's arrivals and accounted for 76.2% to 81,037 shares. Business

tourists, the second highest is estimated to represent share of 8.9%, VFR 8% and the remaining 6.9% is estimated for visitors on other purposes. See Figure C27.

Figure C27: Tourist Arrivals in Vanuatu, by Purpose of Visit, 2017



Source: Vanuatu National Statistics Office

4. Destination Analysis by Sea Arrivals

(In this section, only countries with available sea arrival data for 2016 and 2017 are reported.)

Tourist arrivals by sea from nine countries reached a total of 982,798 in 2017. Compared to 2016, sea arrivals from eleven countries recorded 1,059,652 in total with cruise arrivals accounting for the majority at 1,057,334. Of the total sea arrivals in 2017 mainly cruise, New Caledonia the leading destination recorded 493,278. This was below the 509,463 arrivals witnessed in 2016. Vanuatu, the second key destination followed with arrivals of 223,551, but below the 254,489 records in 2016. Cruise arrivals to Solomon Islands and Kiribati also contracted to 12,061 and 1,343, respectively. Meanwhile Fiji, the third top destination for cruise market accelerated and reached 184,425 in 2017. Upward trend were also posted from sea arrivals to American Samoa rising to 22,329 in 2017 from 18,235 in 2016, Marshall Islands up to 1,908, PNG doubling from 19,123 in 2016 to 41,572 in 2017 and Niue surged to 2,331 boosted by cruise arrivals. See Table R13 for details

Table R13: Tourist arrivals by Sea to the Pacific ACP and SPTO Member countries, 2017

	2016			2017		
	Cruise Arrivals	Yacht Arrivals	Total Sea Arrivals	Cruise Arrivals	Yacht Arrivals	Total Sea Arrivals
America Samoa	18,235		18,235	22,329		22,329
Fiji	170,632		170,632	184,425		184,425
French Polynesia	48,852		48,852	n/a		n/a
Kiribati	1,870		1,870	1,343		1,343
Marshall Islands	1,100		1,100	1,908		1,908
New Caledonia	509,463		509,463	493,278		493,278
Niue		500	500	1,762	569	2,331
PNG	19,123		19,123	41,572		41,572
Solomon Islands	13,523		13,523	12,061		12,061
Tonga	20,047	1,818	21,865	n/a		n/a
Vanuatu	254,489		254,489	223,551		223,551
Total	1,057,334	2,318	1,059,652	982,229	569	982,798

Source: NTOs & NSOs

[n/a] data not available

5. Economic Impacts of Tourism

Tourism Earnings

Total tourism receipts for the Pacific ACP and SPTO member countries generated from the 2.1 million air arrivals reached an estimated total of US\$3.6 billion in 2017. Fiji the leading destination represented a total of US\$889.3 million. French Polynesia followed at US\$682.2 million, PNG US\$326.8 million, Cook Islands \$254.1 million, Timor Leste US\$237.2 million, Samoa US\$236.8 million, New Caledonia US\$212.3 million, Vanuatu US\$207 million, Palau US\$196.4 million, FSM US\$81.8 million, Solomon Islands US\$71 million and American Samoa at US\$22 million. All the remaining countries recorded annual receipts of less than US\$20 million each. The value of tourism earnings in nominal terms vary greatly among the destinations, but illustrate the strength of each country's industry during the year. The results also indicated that more arrivals do not necessarily coincide with higher receipts due to the differences on the average daily spend and the length of stay of tourists in each destination. See details in Table R14.

Table R14: Tourism Earnings by Pacific ACP and SPTO member countries, 2017

	Receipts 2017 (Estimates US\$, Million)	Receipts per capita 2017 (US\$ Estimates)	Receipts per Arrival 2017 (US\$ Estimates)	Population (latest 2015- 2016)
America Samoa	22.0	376	1,102	58,600
Cook Islands	254.1	14,557	1,575	17,459
FSM	81.8	779	2,721	104,966
Fiji	889.3	1,005	1,055	884,887
French Polynesia	682.2	2,501	3,429	272,800
Kiribati	9.1	82	1,602	110,136
Marshall Islands	11.8	215	1,961	55,000
Nauru	3.3	303	1,089	10,800
New Caledonia	212.3	762	1,759	278,500
Niue	8.3	5,176	850	1,611
Palau	196.4	11,032	1,600	17,800
PNG	326.8	38	2,286	8,500,000
Samoa	236.9	1,218	1,528	194,523
Solomon Islands	71.0	109	2,760	651,700
Timor Leste	237.2	196	2,000	1,211,245
Tonga	156.7	1,557	2,510	100,651
Tuvalu	2.7	234	1,066	11,534
Vanuatu	207.0	765	1,898	270,470
Total	3609	2272	1822	12,752,682

Source: Arrivals- NTOs & NSOs, population- UNWTO, SPC and estimates -SPTO.

Notes: (1) Estimates, based on SPTO's calculations. Local currencies are converted to USD for consistency. Revised from 2017 Facts & Figures

(2) Tourism receipts, derived from travel model (total visitor arrivals multiplied by average length of stay multiplied by average daily spend).

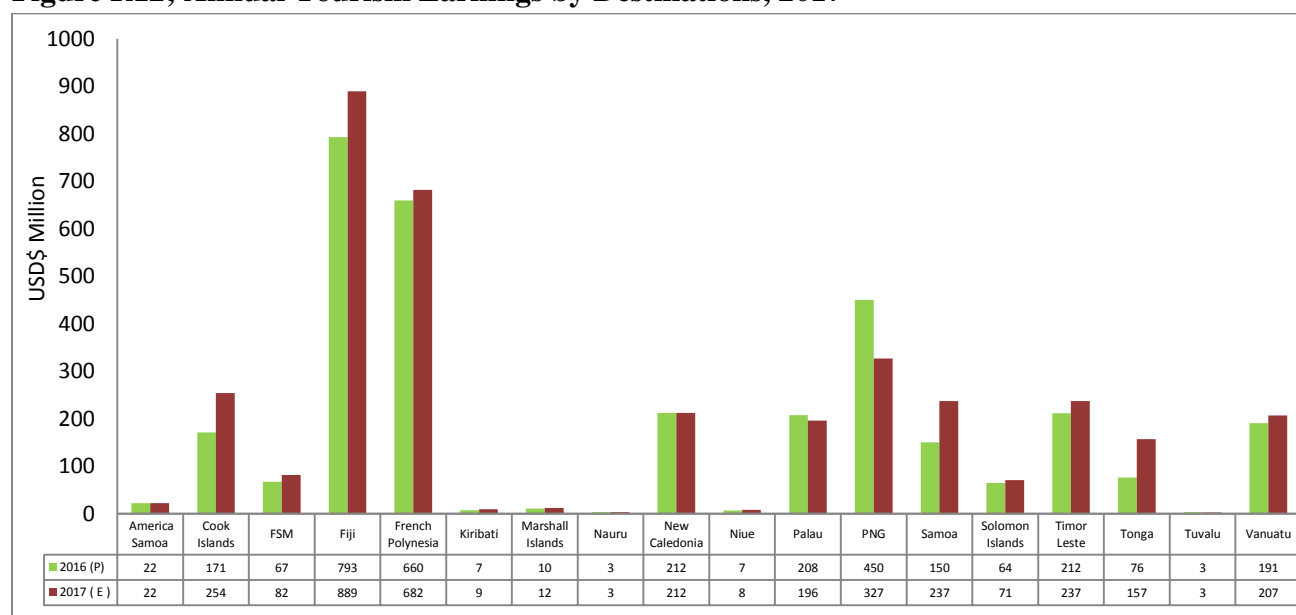
(3) Tourism receipts per capita, calculated as total tourism receipts divided by annual population.

(4) Tourism receipts per arrival, generated by total tourism receipts divided by annual visitor arrivals

Tourism earnings by each person allow easier comparisons across countries with vastly different population size. On average, tourism receipts per person in 2017 from a combined population of about 12.7 million recorded US\$2272. By destinations, tourism receipts per person ranges from US\$38 in PNG to US\$14,557 in Cook Islands. The results indicated that while PNG generated estimated total earnings of US\$347.6 million, receipt per person is low due to a high population of more than 8 million. In contrast, Cook Islands with total receipt of US\$254.1 million recorded the maximum receipts per capita of US\$14,557 owed to a smaller population base of more than 14 thousand. See details in Table R14.

Tourism earnings by per visitor arrival measures the average spend by each visitor in a destination in 2017. On average, tourist receipts per visitor to the region recorded US\$1822 with French Polynesia posting the highest receipts per visitor at US\$3429. More spending per arrival indicates that a destination has achieved a higher yield. Further, receipt per travel may also highlight the price competitiveness of a destination, allowing high cost destinations to tailor marketing campaigns or investigate measures to lower costs. The wide variations in reported total receipts and spending per arrival in 2017 could reflect the differences in the average length of stay and the daily spend of visitors and the exchange rate movements in national currencies against USD. See details in Table R14.

Figure R12; Annual Tourism Earnings by Destinations, 2017

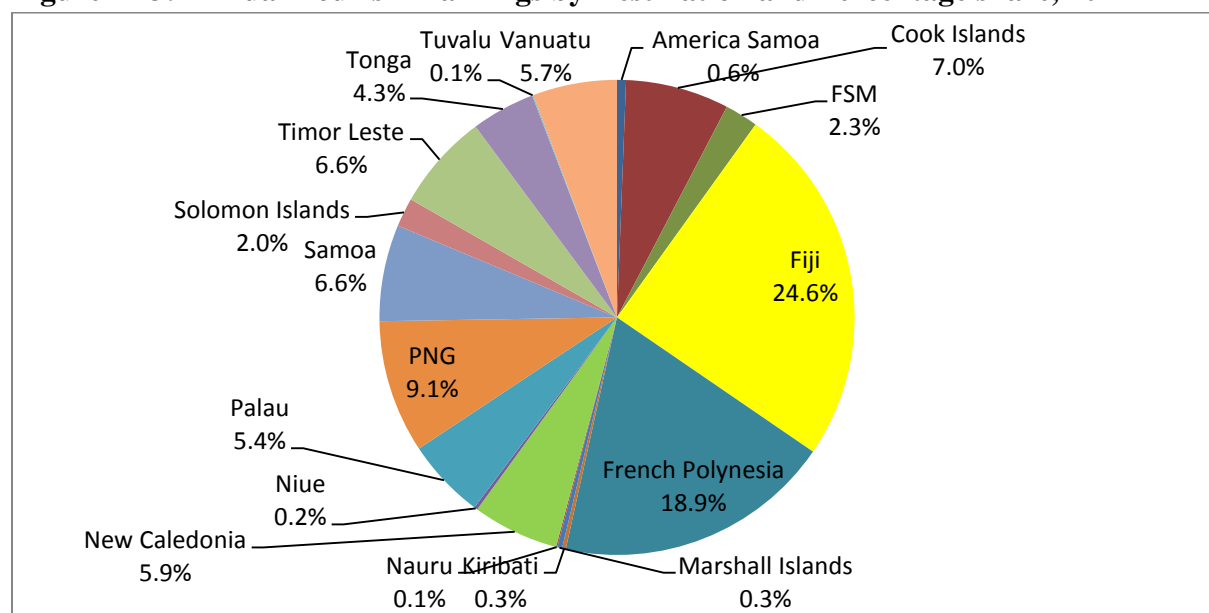


Source: NTOs, NSOs, & SPTO calculations

Year on year comparisons showed that majority of the destinations in 2017 recorded increases in tourism earnings relative to 2016. Fiji, Cook Islands, French Polynesia, Kiribati, Marshall Islands, Niue, Samoa, Solomon Islands, Timor Leste, Tonga, and Vanuatu recorded higher receipts than in 2016. Meanwhile, earnings from arrivals by American Samoa, Nauru, New Caledonia, and Tuvalu remained constant whilst Palau and PNG decelerated against the year before. Details in Figure R12.

By percentage shares, Fiji by far the largest destination accounted for 24.6% of the total tourism earnings in 2017, reflecting the wide range of high-end resorts and secluded smaller luxury properties. French Polynesia rallied behind at 18.9%, followed by PNG at 9.1%, Cook Islands 7%, Timor Leste, and Samoa edged closely at 6.6% each and New Caledonia at 5.9%. All the remaining countries accounted for the 21.3% share with Vanuatu and Palau representing 5.7% and 5.4%, respectively.

Figure R13: Annual Tourism Earnings by Destination and Percentage share, 2017



Tourism Employment and Earnings share to GDP

Tourism earnings share of gross domestic product (GDP) reflect the relative importance in an economy. In 2017, tourism earnings as share of GDP for the Pacific ACP and SPTO member countries registered an estimated 18% on average, and an annual contribution of 8.2%. By destinations, tourism earnings share of GDP is recorded as 69.1% in Cook Islands, 46.1% in Vanuatu, 41% in Niue, 40.3% in Fiji, 25.9% in FSM, 20.4% in Samoa, 18.2% in Tonga, 11.8% in French Polynesia, and 10.2% in Solomon Islands. All the remaining destinations recorded shares of less than 10% each. The low GDP share of earnings from New Caledonia, Timor Leste and PNG reflected the dominance of the industrial sector from natural resources development. See Table R14 for details.

Tourism is a significant employer in those PICs where tourism is a major industry. In 2017, about 115,621 of total employment (3.6 billion) in 16 of the 18 Pacific ACP and SPTO member countries are occupied in tourism related activities. Tourism employment in 2017 exceeded the 61,400 record in the SPTO Tourism Employment Survey in 2014. This marked a substantial gain of 54,221 or 88.3% more tourism employees over the last three years, and signifies the importance of tourism in generating employment in the region. On average, the total portion of tourism employment to total

employment across the destinations is about 12.2% with an annual contribution of 3.3% in 2017. See details in Table R15.

Table R15: Annual Tourism Employment and Earnings as Percentage of GDP, 2017

	Latest year on available employment data	Number of Tourism Employees (1)	Number of Total employment (2)	Tourism Employment as % of total Employment	Tourism Earnings as % of GDP (2017 Estimates)
America Samoa	2011		18,028	0.0	3.3
Cook Islands	2014	2386	6,938	34.4	69.1
FSM	2014	1802	6,938	26.0	25.9
Fiji	2017	42300	303,647	13.9	40.3
French Polynesia	2016	10500	126,300	8.3	11.8
Kiribati	2017	462	28,158	1.6	5.5
Marshall Islands	2014	605	12,600	4.8	5.3
Nauru	2017	0	0	0.0	2.8
New Caledonia	2017	4615	119,500	4.9	2.4
Niue	2014	226	700	32.3	41.0
Palau	2014	1172	6,000	19.5	6.7
PNG	2016	21000	2,344,733	0.9	2.3
Samoa	2016	4080	45,161	9.0	20.4
Solomon Islands	2017	6400	208,016	3.1	10.4
Timor Leste	2014	2586	263,000	1.0	5.7
Tonga	2017	6400	33,422	19.1	18.2
Tuvalu	2014	87	3,869	2.2	6.9
Vanuatu	2017	11000	42,295	26.0	46.1
Total		115,621	3,569,305		

Source: NSOs, NTOs, ADB, World Bank, World Tourism Council Travel, SPC & SPTO

Notes: (1) Employees employed by accommodation, attraction, restaurant, shops, tour operators and transport service industries.

(2) total number of employees in a destination.

By destinations, tourism contribution to total employment is estimated at 34.4% in Cook Islands, 32.3% in Niue, 26% in Vanuatu and FSM, 19.5% in Palau, 19.1% in Tonga, 13.9% in Fiji, 9% in Samoa, 8.3% in French Polynesia and Kiribati with 7.8% share. All the remaining countries each employ less than 5% of total employment with Timor Leste, PNG, New Caledonia and Solomon Islands reflecting the dominance of the industrial sector from natural resources development such as oil, minerals and logs. See details in Table R15.

Tourism and Government Revenues

Tourism is also a tax base. For most PICs, tourist related taxes include hotel, departure and services tax and this has enabled government to directly benefit from tourism. In Fiji, besides the tourist tax

levy, value added tax (VAT) and service tax turnover, a new environmental levy of 6% was also introduced. This coincides with the increase in funding for Tourism Fiji.

Tourism tax revenues generated from available data on departure tax and tourist tax levy is estimated at USD47.1 million in 2017. Of the total, Fiji accounted for an estimated US\$20.6 million, generated from the tourist tax levy whilst the combined US\$26.5 million from all the other PICs came from the departure tax. Of this, US\$1.8 million came from hotel tax in New Caledonia. See Table R15 for details.

Table R15: Annual Tourism Tax Revenues by Destinations, 2017

Countries	Airport Departure Tax (National Currencies)	Departure Tax (USD)	Estimated tax revenues from Tourists (USD'000)
America Samoa	USD20	20	400
Cook Islands	NZ\$55	40	6,419
FSM	USD40	40	1,202
Fiji	No airport tax but 5% tourist tax levy		20,659
French Polynesia	No airport tax but 5% tax on accommodations		
Kiribati	AUD20	15	87
Marshall Islands	USD 20	20	104.0
Nauru	AUD 50	38	115.1
New Caledonia	No airport tax but 6% tax on accommodations		1867
Niue	NZ\$80	58	572
Palau	USD50	50	6136
PNG	PNGK30	9	1328
Samoa	STA40	16	2439
Solomon Islands	SBD40	5	132
Timor Leste	USD40	40	4743
Tonga	TOP25	11	687
Tuvalu	AUD30	23	58
Vanuatu	Vatu200	2	200
Total			47,148

Source: NTOs, Departure National Tax from IATA Travel Centre. Estimates SPTO Calculations.

Notes: Estimated Tourism Tax Revenues are derived by, destination total number of arrivals multiplied by the departure tax (all in USD). For Fiji, tax revenue is generated by the 5% tax levy multiplied by the total number of arrivals (converted to USD)

6. Tourism Accommodation

Tourism Accommodation Capacities

Latest available data showed a total of 2,639 accommodations in 14 of the 18 Pacific ACP and SPTO member countries with 36,711 rooms and 63,951 beds. By destinations, the number of accommodations ranges from 12 in Marshall Islands to 506 in PNG. Although Marshall Islands has the lowest number of accommodations, it exceeded the number of rooms in Niue and American Samoa. Fiji second to PNG in number of accommodations totaled to 401 but significantly exceeded the number of rooms and beds in PNG and all the destinations in the region. This mirrored Fiji's dominance in having a wide range of accommodations in deluxe resort hotels as well as a depth of mid-range and budget accommodations that provided more rooms and beds. A similar comparison is also seen across the destinations, implying the different types of accommodations available within each of the countries. Details in Table R17.

Table R17: Annual Accommodations in Pacific ACP and SPTO Member Countries

	Year	No. of Accommodations	No. of Rooms	No. of beds
American Samoa	2017	20	263	395
Cook Islands	2016	377	2,251	6,277
Fiji	2017	401	11,041	24,154
French Polynesia	2016	337	4,141	11,139
Kiribati	2017	34	314	632
Marshall Islands	2016	12	281	383
New Caledonia	2015	191	3285	n/a
Niue	2017	37	188	267
Palau	2016	62	1,400	n/a
PNG	2012	506	6,195	8,939
Samoa	2017	146	2,583	5,043
Solomon Islands	2016	188	1,854	3,685
Tonga'	2016	72	1,193	n/a
Vanuatu	2014	256	1,722	3,037
Total		2,639	36,711	63,951

Source: NTOs, NSOs & SPTO

Notes: [n/a], figures not available

Tourism Earnings on Online Bookings

Tourism earnings on accommodations generated through an online booking platform in thirteen (13) Pacific destinations reached around US\$7.5 million in 2017. This arises from about 9,453 confirmed bookings to fifty eight (58) accommodations across the region over the period. Of the total value, Samoa registered the highest earning at around US\$3.5 million. Palau followed at US\$1.5 million, Solomon Islands the third highest at US\$0.8 million, Vanuatu US\$0.5 million, Tonga US\$0.3 million, Cook Islands and Kiribati each with US\$0.2 million and Niue at US\$0.1 million. All the remaining countries, recorded less than US\$100,000 each. The varied earnings in each destination were mostly related to a number of accommodations being deactivated due to non-payment of monthly fees. The average length of stay for online booking visitors is around 4.8 nights with Palau recording the longest stay at 10.5 nights on average. See details in Table R18.

Table R18: Tourism Earnings on Online Accommodation Bookings, 2017

	Confirmed bookings \$US (annual)	Ave. length of stay	Confirmed booking	Ave. value of booking	No. of online Accommodation
Cook Islands	\$212,523.81	5.2	281	165.48	1
Fiji	\$52,373.62	3.1	17	885.04	2
Kiribati	\$206,465.84	4.5	320	1169.90	7
Marshalls	\$97,152.27	3.5	229	516.16	1
Niue	\$103,627.81	4.5	80	1302.81	4
Palau	\$1,539,807.81	10.5	3019	779.15	19
PNG	\$78,023.86	3.8	71	978.28	2
Samoa	\$3,475,171.74	4.6	3549	2330.13	7
Solomon Islands	\$845,289.93	5.0	775	870.45	5
Timor Leste	\$50,956.20	4.5	38	121.81	1
Tonga	\$308,065.80	4.3	286	639.57	5
Tuvalu	\$8,533.15	4.4	16	78.33	1
Vanuatu	\$509,135.54	4.4	772	117.91	3
Total	\$7,487,127.4	4.8	9,453	980.01	58

Source: Hotel Link Solutions

7. Tourism Forecasts

Short Term Forecast by Destinations

The current strong momentum in tourist arrivals to the Pacific ACP and SPTO member countries is expected to continue in 2018 and 2019 although at a more sustainable pace. Total arrivals to the region are forecasted to grow at 4.5% to 2.2 million in 2018 and a further 4.1% to 2.3 million in 2019. Growth projections in arrivals in 2018 and 2019 are expected to be driven by expected positive performances in all the destinations with Fiji, French Polynesia, Cook Islands, PNG, Samoa, Palau, New Caledonia, and Vanuatu expected to dominate the number of arrivals over the period. The forecasted growth in the short term is expected to be supported by the positive spillovers of the brighter global outlook and increasing tourist traffics from the regions traditional and emerging source markets. See details in Table R19.

Table R19: Annual Short Term Forecasts of Arrivals by Destinations, 2017

	2015	2016 (r)	2017 (p)	2018 Forecasts	2019 Forecasts
American Samoa	20335	20050	19987	20187	20287
Cook Islands	125132	146473	161362	166431	173869
FSM	30240	29485	30060	31004	31104
Fiji	754835	792320	842884	893457	938130
French Polynesia	183831	192495	198956	199056	205309
Kiribati	4353	5018	5663	5841	6102
Marshall Islands	6311	5332	6034	6224	6419
Nauru	0	3038	3002	3096	3196
New Caledonia	114072	115676	120697	120938	123962
Niue	7707	8918	9805	10112	10212
Palau	161931	138416	122726	126581	126681
PNG	184961	197632	142943	164384	171731
Samoa	136104	145176	155098	161302	168511
Solomon Islands	21623	23192	25709	26737	27932
Timor Leste	61037	92502	118586	123329	128841
Tonga	53731	59130	62434	62496	65289
Tuvalu	2344	2465	2530	2610	2710
Vanuatu	89952	95117	109063	109281	114165
Total	1958499	2,072,435	2,137,538	2,233,068	2,324,451
Annual % change	4.7	5.8	3.1	4.5	4.1

Source: NTOs, NSOs & SPTO Forecasts

Short Term Forecasts by Source Markets

Based on current trends and positive global outlook, arrivals from the Pacific ACP and SPTO member countries major source markets are forecasted to grow by 4% in 2018 and 2019. While the traditional source markets Australia and New Zealand will continue to dominate arrivals to the region, USA, emerging China and Other Asian markets will also provide further boost in the projected arrivals. Arrivals from all the remaining source markets are also projected to increase over the period.

Table R20: Annual Short Term Forecasts of Arrivals by Source Markets, 2017

	2015	2016 (r)	2017 (p)	2018 Forecasts	2019 Forecasts
Australia	610881	614231	630,669	638,402	646231
New Zealand	359102	406600	444,507	475,623	509517
USA	195740	199453	212,948	224,075	235784
United Kingdom	36494	34973	32,784	35,028	36376
Europe	172787	189795	190,164	192,585	199992
China	153119	150293	143,398	150,568	158096
Japan	78704	80183	79,391	81,614	83900
Other Asia	112432	169957	190,219	201,632	209495
Pacific Islands	125909	135990	160,440	165,253	173516
Other Countries	55345	49217	53,019	54,981	56520
Total	1,900,513	2,030,691	2,137,538	2,219,761	2,309,427
Annual % change	5.3	6.8	5.3	4	4.0

Source: NTOs, NSOs & NTOs

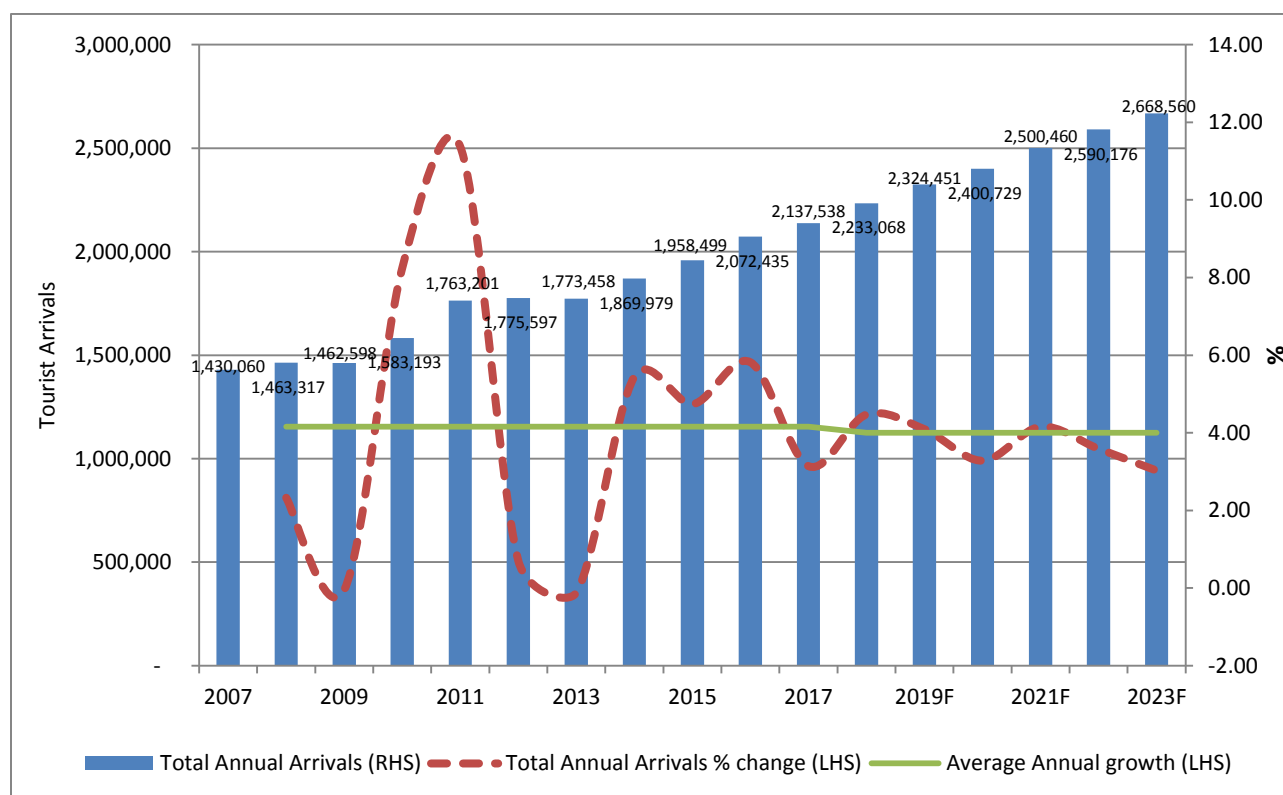
Notes: [r]revised, [p]provisional

Tourism Medium Term Forecasts

The ACP and South Pacific Tourism Organisation (SPTO) member countries experienced exceptional arrival growth in the last ten years. Tourist arrivals to the region grew at an annual average rate of 4.2% over the 2007 to 2017 period. Following the trough in 2009, stemmed from the global financial crisis, arrivals peaked at 11% in 2011, dipped in 2013, but rebounded quickly to 5.4% in 2014. This marked the influx of Chinese arrivals to the region. In subsequent years, arrivals to the region sustained growth at 5.4% in 2014, 4.7% in 2015, 5.8% in 2016 and 3.1% in 2017.

Based on current steady trends, economic prospects and optimistic international travel forecasts, the annual arrivals to the Pacific and SPTO member countries in the short to medium term is projected to hover around the forecasted 4% average growth in the next five years from 2019 to 2023. Under this assumption, the volume of arrivals to the Pacific region is forecasted to reach 2.7 million in 2023. See details in Figure R15.

Figure R15: Medium Term Forecasts of Arrivals to Pacific ACP and SPTO Member Countries (2007-2023)



Source NSOs, NTOs & SPTO Forecasts

Risks to the short and medium term forecast

- The downside risks to the short and medium term forecasts remain subject to the global economic or market conditions, which are surrounded by uncertainty, including unforeseen circumstances such as natural disasters (cyclones, tsunami, and earthquake) that frequently occur in the region.
- The forecasts are also based on estimated future demand. As such, potential supply constraints, such as the capacity of accommodation, international flights and other factors could limit the actual growth below our forecasts.

The South Pacific Tourism Organisation will remain vigilant and continue to monitor the global and local conditions and will review its forecasts accordingly whenever it see's necessary.

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‘Marketing and Developing Tourism in the South Pacific’