

Agritourism Policy Setting Workshop:

Overview of Tourism Development in Vanuatu

May 25-27
Port Vila
Vanuatu

Policy of the day:

- **Priority Action Agenda states (2006-2015):**

Tourism is one of the most promising economic sectors for Vanuatu's future development. It offers great potential as a source of foreign exchange as well as creating employment and fostering development of the outer islands.

Growth in the tourism sector is now underpinning growth in the economy as it accounts for around 40% of GDP.

Main programs to promote further tourism development:

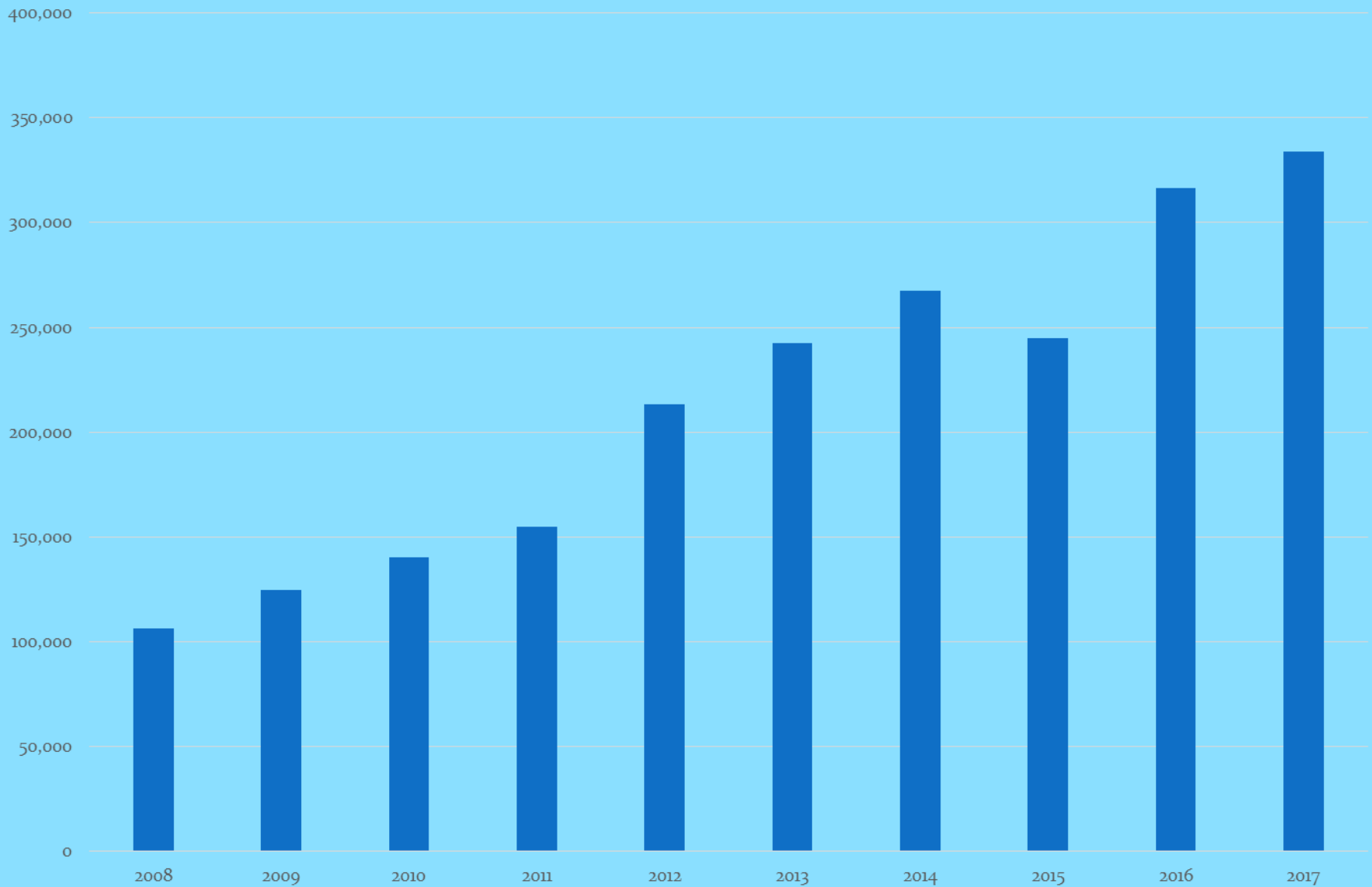
- Product Development Program
- Tourism Investment Program
- Provincial Tourism Development Program
- Tourism Standards Program
- Cruise Tourism Program
- Institutional Strengthening and Stakeholder Partnership
- Destination Marketing Program

Government target for growing tourism

New target for tourism is as follows:

- (a) Cruise ship – 1,000,000 tourists by 2020
- (b) Air Arrivals – 150,000 by 2020

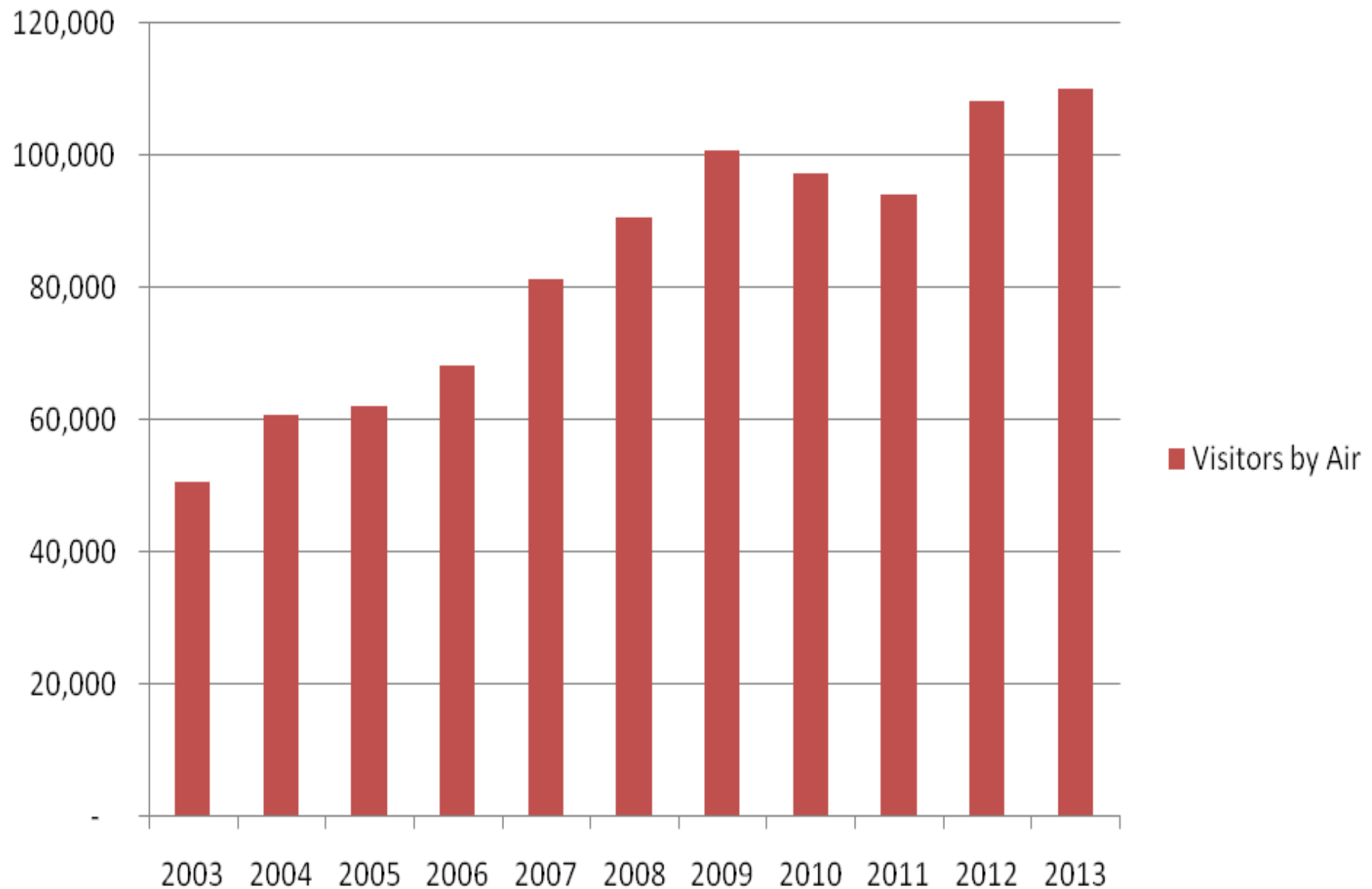
Number of cruise passengers since 2008



Cruise ship numbers at the three most popular ports of call

Port of Call	2014	2015	2016
Port Vila	126	116	147
Mystery Is	68	75	109
Luganville	18	30	22

Visitors by Air



Recent Government decision:

1. Re-develop Bauerfield to accommodate long haul flights
2. Phase 2 – Pekoia airport to accommodate long haul flights
3. Phase 3 – Whitegrass to also accommodate long haul flights especially 737 aircrafts

Distribution of tourists within Vanuatu:

- 83% stay in Efate Island – mostly in Port Vila,
- 15% go to Tanna and Santo
- 2% go to Outer Islands

Repeat Visitors (2015 IVS)

- Efate (Port Vila) - 42%
- Santo - 44%
- Tanna - 43%

Estimated Tourist Expenditure - 2010

Segment	Total spending (VT billion)	Percentage
International air tourists	10.461	50.6
Cruise visitors	3.142	15.2
Yachts	0.279	1.4
Domestic tourism	3.008	14.6
Total direct expenditure	16.890	81.8
Agents on behalf of tourists	3.765	18.2
Total expenditure	20.655	100

Strategies to broaden tourism product base:

1. Agritourism
2. Cultural tourism
3. Ecotourism
4. Marine tourism
5. Sports tourism

Current situation: Agritourism

1. In 2014 IFC funded a survey that showed that a total of VT.1.5 billion was spent on fresh produce. Of this 54% was imported.
2. In particular are the following produce:
 - (a) Potatoes, onions, carrots and capsicum
 - (b) Tomatoes, oranges and cantaloupes
 - (c) Prawns and fish
 - (d) Pork, lamp, chicken, beef, bacon
3. The above can be produced locally

Current situation: Handicrafts

1. In 2014 DOT carried a survey of the mamas on the wharf road during cruise ship days and it was found that 90% of the products sold to tourists are Chinese made and imports.



As the Ministry responsible for Tourism we want to strengthen linkages and partnership between various stakeholders to increase the production of local produce and value-added items for the tourism industry.

Future prospects:

Vision for the tourism industry:

Tourism celebrates Vanuatu's culture and environment, empowers its people and captivates its visitors throughout the islands

Potential for development:

1. Diversity of culture – about 105 different languages. On a per capita basis Vanuatu is most probably the most diverse culture in the world
2. Each island is different in culture and customs
3. Environmentally unique – presence of many rare species of flora and fauna
4. Most friendly people in the Pacific (SPTO surveys)
5. Happiest country on earth (2006 & 2010)
6. Very close to Australia and New Caledonia
7. Unspoiled islands
8. Lonely Planet's Best in Travel 2011 – 6th of 10 Top Destinations in the world
9. Unexplored islands
10. Most riskiest country to live in on the planet

Challenges:

1. Increase in the supply of quality local products for the tourism industry
2. How do we increase growth in tourism with minimal negative impact on local cultures and communities given the smallness of the islands and language groups?
3. High cost of internal air travel
4. Accessibility of ni-Vanuatu to capital for tourism development
5. Increase ni-Vanuatu participation in senior level of management of hotels and resorts
6. Increase in ni-Vanuatu ownership of middle to upper end of the market for accommodation businesses

Concluding remark:

- It is my hope that gatherings like this workshop today will contribute to addressing these challenges for the government in a meaningful way by providing the tools and means to ensure that the continuous growth does benefit the communities at large, is ecologically sustainable, and does not over time degrade the culture and languages of the people of Vanuatu