

Aerial view of Papua New Guinea

DESTINATION INFORMATION AT A GLANCE

POPULATION:

9.6 million (2020).*

CAPITAL:

Port Moresby (850 kilometers north of Cairns, Australia).

OFFICIAL LANGUAGES:

Tok Pisin, English, and Hiri Motu are all official languages. Tok Pisin is the most widely spoken.

CLIMATE:

Hot and humid tropical climate at sea level, with temperatures between 28°C and 32°C. Cooler inland, with maximum temperatures between 22°C and 24°C.

CURRENCY:

The kina (K). The local economy is predominantly cash only.

ENTRY AND VISA REQUIREMENTS:

60-day visa on arrival for most tourists, including those from Australia; European Union; Japan; Republic of Korea; New Zealand; Taipei, China; and the United States. 30-day e-visa available for other nationalities, including visitors from the People's Republic of China.

GEOGRAPHY:

Comprises the eastern half of the island of New Guinea and around 600 offshore islands, with a total land area of 462,840 square kilometers.

*Asian Development Bank. 2021. *Key Indicators for Asia and the Pacific* 2021. Manila.

Papua New Guinea

PACIFIC TOURISM SECTOR SNAPSHOT | NOVEMBER 2021

INTRODUCTION

The largest country in the Pacific, Papua New Guinea (PNG) is a unique tourism offering. With a well-established market for World War II history, including several historic and adventurous walking tracks, PNG also boasts vibrant traditional cultures, as well as excellent fishing, diving, snorkeling, surfing, and bird-watching opportunities.

PNG's tourism potential remains largely untapped. Its economy is dominated by labor-intensive agriculture and capital-intensive extraction of oil, gold, copper, and silver. Tourism contributed only 1.5% of gross domestic product (GDP) in 2019 (Pacific Tourism Organisation [SPTO] 2020) and the government estimates tourism employs up to 25,000 Papua New Guineans (SPTO and Government of Papua New Guinea, unpublished data)—approximately 1% of the country's total employment.¹

Scope to grow PNG's tourism sector is considerable. The country's strengths—good international connectivity and unique natural beauty—are matched by major challenges, particularly unreliable infrastructure and a perception PNG is unsafe for travelers. With improvements in these areas, as well as increased government support and collaboration with the private sector, potential is strong for PNG to develop its tourism sector, beginning with exploitation of niche tourism opportunities.

1 Estimate based on data from SPTO (2019 and 2020).

TOURISM SECTOR OVERVIEW

Note: this overview compiles key tourism information based on the most recent available data. Due to the impact of the coronavirus disease (COVID-19) on the tourism sector, some of this information has likely changed.

TRANSPORT AND CONNECTIVITY

In 2019, Port Moresby had direct flights to 11 international destinations. These included inter-regional routes (Chuuk, Honiara, Nadi, Pohnpei, and Port Vila) as well as services into Australia (Brisbane, Cairns, and Sydney) and Asia (Hong Kong, China; Manila; and Singapore). All services were operated by PNG's national airline, Air Niugini, which had the largest number of international flights. Australian routes were also serviced by Qantas and Virgin Australia, while Solomon Airlines operated flights to and from Honiara, and Philippine Airlines operated flights to and from Manila.

Domestic travel within PNG can be difficult. The country has no nationwide road network and even Port Moresby lacks interprovincial connections. More than two-thirds of roads are in poor condition, and many—an estimated 75%—become inaccessible at certain times of year due to flooding and landslides (Sumb 2020). The main mode of transport for coastal communities is by sea. However, coastal shipping services are limited and adherence to safety standards is inconsistent.

Most tourists travel domestically by air. PNG has around 52 commercial domestic airports, which are serviced by two carriers—

Air Niugini's domestic arm, Link PNG, and PNG Air. Air Niugini is a state-owned enterprise, while PNG Air is a listed company majority-owned by PNG's national superannuation fund. Domestic flights can be expensive, often do not link up with international arrivals and departures and are plagued by frequent cancellations and delays. Many provincial airports require improvements to infrastructure and ground handling operations.²

While public transport—particularly public buses and taxis—is available in PNG's urban centers, such as Port Moresby, its use by tourists is discouraged. Taxis are often unmetered and in poor condition and concerns have been raised regarding quality of service and tourists' safety. Most hotels in major centers offer airport pick-ups and can arrange chauffeured transport.

ACCOMMODATION

PNG has a range of accommodation options, from budget to high-end international hotels. In 2019, there were an estimated 500 hotels and guest houses (SPTO 2020), mostly located in and around Port Moresby. Smaller properties, especially outside Port Moresby, often have only basic infrastructure and the availability of amenities, such as hot water, is limited. Scope is significant for improvement in accommodation quality and value for money (International Finance Corporation 2018).

According to the government, occupancy rates have held steady in Port Moresby for several years—however, some industry operators suggest that supply has begun to exceed

2 The Asian Development Bank is currently supporting airport infrastructure and safety in Papua New Guinea (PNG) through the Civil Aviation Development Investment Program.

Markets, Kitava, Trobriand Islands, Papua New Guinea



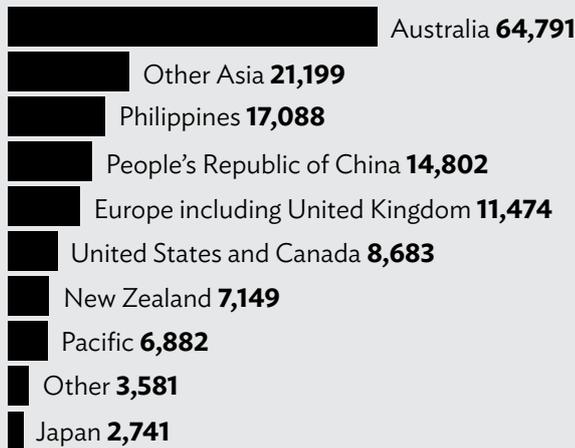
Box 1: Papua New Guinea Key Visitor Statistics (Air Arrivals)

Air Arrivals (2019)

158,390 visitors.

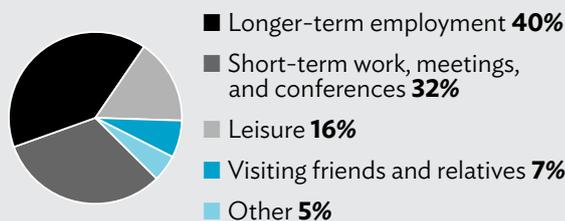
Source: Pacific Tourism Organisation.

Air Arrivals by Source Country (2019)



Source: Pacific Tourism Organisation.

Purpose of Visit (2019)



Source: Papua New Guinea Tourism Promotion Authority. 2020. 2019 Visitor Arrival Report. Port Moresby.

Tourism Receipts (2019)

\$352.2 million.

Source: Pacific Tourism Organisation. 2020. 2019 Annual Visitor Arrivals Report. Suva. (Estimate).

Visitor Spend (2019)

\$2,154 per person.

Source: New Zealand Tourism Research Institute. 2020. Papua New Guinea International Visitor Survey January to December 2019. Auckland. Note: does not include those arrivals into PNG for long-term employment.

Source: Pacific Private Sector Development Initiative.

Box 2: Papua New Guinea Key Visitor Statistics (Sea Arrivals)

Cruise Arrivals (2019)

51,417 passengers.

Source: Papua New Guinea Tourism Promotion Authority. 2020. 2019 Visitor Arrival Report. Port Moresby.

Cruise Sector Economic Contribution (2015)

A\$5.7 million.

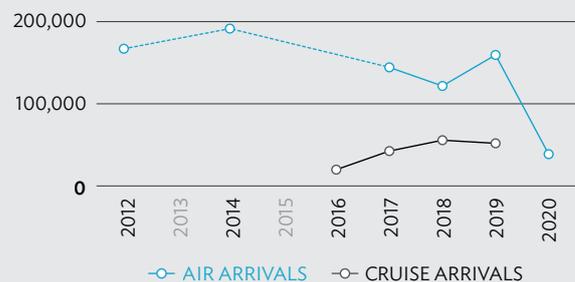
43% from cruise passengers, 3% from crew members, and 54% from cruise operators.

Source: International Finance Corporation. 2016. Assessment of the Economic Impact of Cruise Tourism in PNG & Solomon Islands. Washington, DC.

Source: Pacific Private Sector Development Initiative.

Box 3: Papua New Guinea Visitor Arrival Trends

Air and Cruise Arrivals (2012-2020)

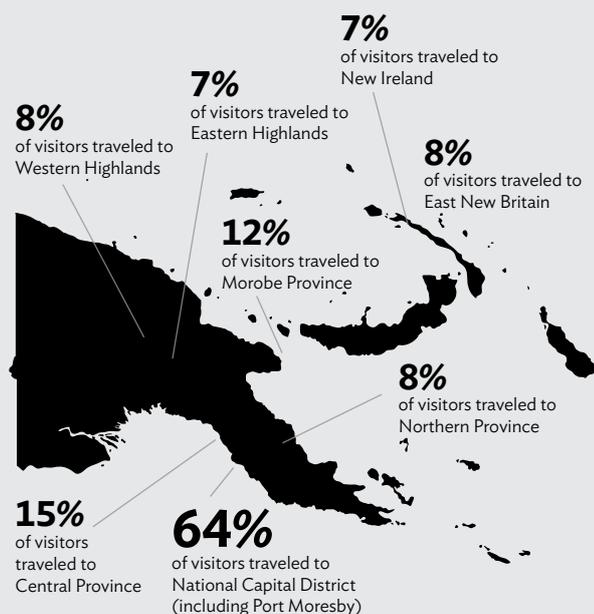


Source: (Air) Pacific Tourism Organisation. (Cruise) Papua New Guinea Tourism Promotion Authority. "Annual Visitor Arrival Statistics." <https://www.papuanewguinea.travel/annual-visitor-arrivals>.

Visitors to Papua New Guinea declined sharply in 2020 as a result of coronavirus disease (COVID-19) travel restrictions, but even before 2020 the country's visitor arrivals were inconsistent. Arrival numbers have fluctuated over the past decade, with an overall drop of 5% since 2012. Arrivals rose sharply in 2014 following the "A Million Different Journeys" marketing campaign, then decreased in 2017 and 2018 due to political instability and associated travel warnings. The 2019 air arrivals figure represented a 30% increase on the previous year.

Source: Pacific Private Sector Development Initiative.

Box 4: Papua New Guinea Visitor Destinations (2019)



Source: New Zealand Tourism Research Institute. 2020. *Papua New Guinea International Visitor Survey January to December 2019*. Auckland.

demand (Oxford Business Group [OBG] 2020). Hotel development was significant in the lead-up to the 2018 Asia-Pacific Economic Cooperation summit. The Hilton Port Moresby, which opened in late 2018, marked PNG's third internationally branded hotel, following the Holiday Inn in 2015 and the Crowne Plaza in 2017. Occupancy rates are estimated to be around 60% to 70% outside the capital (OBG 2020).

A voluntary "Accommodation Accreditation Scheme" helps maintain quality standards. In lieu of formal regulation, properties that volunteer to be accredited are formally inspected and those that meet the criteria are provided merchandise and a certificate, and receive increased promotion on the Tourism Promotion Authority (TPA) website and social media.

ORGANIZED TOURS

PNG has a range of tour operators and guides. The Kokoda Track is PNG's most well-known tour, with more than 27 operators and 5,000 hikers annually. Cultural tours, as well as diving, surfing, and hiking tours are readily available. Given the challenges of travelling within PNG, many tourists choose to use international tour operators, including larger providers such as Intrepid Travel.

VISITOR SATISFACTION

Visitors to PNG are generally satisfied with their experience.

Three-quarters of travelers report satisfaction with their visit and 93% say they would return—although this is likely due to

Box 5: Papua New Guinea Key Attractions

- **Unique and vibrant cultural traditions preserved for thousands of years**—Papua New Guinea (PNG) is home to an estimated 850 languages, and cultural expressions—such as carving, music, and dance—are still widely practiced. Cultural festivals, including the Goroka and Mount Hagen shows and the Canoe Festival in Alotau, are increasingly promoted to tourists, as is the United Nations World Heritage-listed Kuk Early Agricultural Site.
- **World War II history**—Especially for Australian and Japanese visitors. Long treks including the Kokoda Track, the Lark Force Wilderness Track, and the Black Cat Track offer a chance to relive history.
- **Incredible natural beauty**—One of the world's last great expanses of tropical rainforest, PNG is home to 13% of the world's exotic bird species.
- **World-class marine life and activities**—For divers, PNG has barrier reefs, fringing reefs, and coral atolls, as well as wreck dives that include ships, submarines, and an intact Japanese fighter plane. It offers barramundi, marlin, and bass for fishing enthusiasts, and several perfect reef breaks accessible for surfers.

Source: Pacific Private Sector Development Initiative.



the high prevalence of business travelers. Australians tend to have the highest satisfaction (89% satisfied), compared to Asian (73% satisfied) and Pacific (70% satisfied) visitors. Feedback suggests safety, security, and infrastructure, as well as flight costs and scheduling, are the least favorable attributes (New Zealand Tourism Research Institute 2020).

EMPLOYMENT AND TRAINING

A range of tourism education is available in PNG, from diploma and certificate courses to 4-year university degrees. Diploma courses are offered through various technical colleges and at private institutions across the country. The Australia Pacific Training Coalition offers certificate courses in hospitality and commercial cookery. A 4-year Bachelor of Tourism and Hospitality Management is taught at Divine Word University and the University of Papua New Guinea. Divine Word increased the length of its tourism degree from 3 to 4 years after finding its graduates were still losing jobs to expatriates, even at entry level and middle management (Papua New Guinea Tourism

Table 1: Tourism Plans and Policies, Papua New Guinea

PLAN OR POLICY	STRATEGIES AND GOALS
Papua New Guinea Development Strategic Plan 2010–2030	<p>Papua New Guinea’s (PNG’s) overarching development strategy, beginning in 2010.</p> <p>The plan identifies tourism—alongside agriculture and manufacturing—as a key sector to drive broad-based economic growth. It also recognizes tourism’s potential to generate employment and create business opportunities while causing minimal disruption to local culture and the environment, especially when compared to industries such as mining (Government of Papua New Guinea, Department of National Planning and Monitoring 2010).</p> <p>The plan proposes a target of 1.5 million visitors per year by 2030. This relies on ambitious growth of 12.1% annually. The target is to be achieved by improvements in infrastructure, to cope with a rise in tourism, and by increasing the appeal of PNG as a tourism destination. Alongside the visitor target, the plan also targets a significant increase in the number of tourism jobs in PNG—up to 310,000 by 2030.</p>
Medium-Term Development Plan III 2018–2022	<p>Report on progress towards the strategic plan.</p> <p>To remain on track for the 2030 target, 240,000 annual visitor arrivals were required by 2015. The plan reports this number was not met, with 212,456 visitors arriving in 2017—though PNG’s official tourism data lists total arrivals of 181,840 in 2017 (Government of Papua New Guinea n.d.).^a A lack of accurate and reliable data is noted as an ongoing challenge for PNG across all sectors (Government of Papua New Guinea 2018).</p>
Papua New Guinea Tourism Sector Review and Master Plan 2007–2017	<p>PNG’s current tourism sector strategy.</p> <p>The goal of the now outdated strategy is to “increase the overall economic value of tourism to the nation by doubling the number of tourists on holiday in PNG every 5 years.” The strategy proposes improvements in marketing, product development, infrastructure, human resources, and industry partnerships. The proposed visitor growth has not been achieved, nor have many of the initiatives—such as replacing the PNG Tourism Promotion Authority with an industry-driven body to coordinate marketing (Papua New Guinea Tourism Promotion Authority 2006). The new PNG Tourism Sector Development Plan 2021–2025 will be launched in late 2021.</p>

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Government of Papua New Guinea (PNG). n.d. *Annual Visitor Arrivals 2017*. <https://www.papuanewguinea.travel/annual-visitor-arrivals>.

Government of PNG. 2018. *Medium Term Development Plan III 2018-2022, Volume 1*. Port Moresby.

Government of PNG, Department of National Planning and Monitoring. 2010. *Papua New Guinea Development Strategic Plan 2010–2030*. Port Moresby.

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SPTO. 2020. *Annual Visitor Arrivals Report 2019*. Suva.

Source: Pacific Private Sector Development Initiative.

^a This data is congruent with SPTO (2020) air arrivals of 142,943 in 2017 (which excludes cruise visitors).

Promotion Authority [PNGTPA] 2006). The private sector continues to take a lead role in upskilling Papua New Guineans in hospitality management, often through partnerships with international hotels and tourism associations (OBG 2020).

TOURISM GOVERNANCE, PLANNING, AND POLICY

The Government of PNG is keen to grow tourism and has identified the sector as key to driving economic growth and employment. PNG’s development and sustainable tourism

approach is outlined in a range of documents (Table 1). These cover sector growth, visitor targets, marketing, product development, infrastructure, human resources, and industry partnerships.

PNG’s Tourism Promotion Authority (TPA) is responsible for tourism development and marketing. The TPA is mandated under the Papua New Guinea Tourism Promotion Act 1993 as a statutory body, fully funded by the government. It sits under the Ministry of Tourism, Arts and Culture. The TPA has 50 staff—

based in Port Moresby—and is led by a chief executive officer who reports to a board of directors.

The TPA's role has changed significantly since the Tourism Promotion Act was written in 1993. The government plans to amend the act to reflect this (various tourism stakeholders, consultations with author, 2020). Under current legislation, the TPA does not have a mandate to regulate the tourism industry, for example to issue licenses to tourism operators, set standards, or enforce compliance. Such oversight has become an imperative following an increasing number of complaints about poor-quality providers and negative tourist experiences. Additionally, there is no provision under the act for revenue generation, such as tourist taxes or bed levies, which restricts the TPA's marketing budget.

PNG's current tourism sector strategy is outdated, though a new five-year tourism strategy is due to be launched in late 2021. The new strategy will include a plan for a national re-opening following COVID-19 closures. An early draft outlines a vision to revive and grow an inclusive and sustainable tourism industry. The strategy focuses on building international and domestic tourism demand and supply chains; and improving product, regulation, infrastructure, and industry coordination. These initiatives aim to raise awareness of PNG as a tourist destination, enhance perceptions of safety, make travel more cost effective, and diversify the visitor experience.

TOURISM MARKETING

PNG has an international marketing presence and currently employs a digital marketing campaign with the tagline “A Million Different Journeys.” The brand campaign generated a significant increase in arrivals following its launch in 2014. Marketing is primarily via the TPA tourism website³—which hosts a range of information on experiences, accommodation, and events—as well as via social media channels and YouTube. The TPA has destination marketing representatives in key source markets—including Australia, Europe, Japan, the People's Republic of China, the United Kingdom, and the United States—to manage regional campaigns.

Despite research demonstrating the impact of marketing expenditure on increased visitor spend, PNG's marketing budget is considerably lower than its regional neighbors. In 2017, the TPA was allocated only \$1.6 million for marketing activities, which significantly restricted its market reach. Although this budget was subsequently increased—up to \$3.4 million in 2019—it remains low compared to Fiji's \$47 million and Indonesia's \$95 million. However, recent research found that every additional dollar invested in PNG's marketing budget from 2018 to 2019 generated an additional \$5 in visitor spending (Solimar International, unpublished data).

PRIVATE SECTOR ORGANIZATION

The private sector drives tourism in PNG. The PNG Tourism Industry Association is the main private sector organization. Several niche market associations—including the PNG Divers

Association, the PNG Surfing Association, and the Kokoda Tour Operators Association—are highly active and support sector advocacy and promotion. Provincial private sector tourism associations also represent regional operators.

TOURISM SECTOR CHALLENGES AND OPPORTUNITIES

TRANSPORT AND CONNECTIVITY

Air Niugini, a state-owned enterprise, has often recorded significant operating losses. In 2019, Air Niugini recorded its first operating profit for several years—representing an A\$56 million turnaround after losses in 2017 and 2018 (Air Niugini, unpublished data). The Government of PNG has considered privatizing the airline for more than a decade (Asian Development Bank [ADB] 2015). The high cost of airfares to Papua New Guinea, particularly on routes serviced solely by Air Niugini, has been cited as a barrier to tourism growth (Sumb 2020).

ENVIRONMENT AND INFRASTRUCTURE

Ensuring access to safe water supply is a challenge for PNG and a limiting factor for tourism. Only 37% of PNG's population has access to safe drinking water, the second lowest figure in the world (WaterAid 2018). Just 19% of the population has safe sanitation (ADB 2020). PNG's surrounding waters, particularly close to urban centers, can be subject to sewage pollution, along with runoff from inland mining (Government of Papua New Guinea 2015).

Lack of access to a reliable electricity supply constrains tourism operators. Estimates of access to electricity vary from 12% to 54% of the population.⁴ There are fewer connections in rural areas, and outdated infrastructure in urban areas leads to frequent outages. About half of PNG's power is generated by renewable sources, but the frequency of electricity outages forces businesses to use diesel generators to ensure their supply, which are expensive to run and highly polluting.

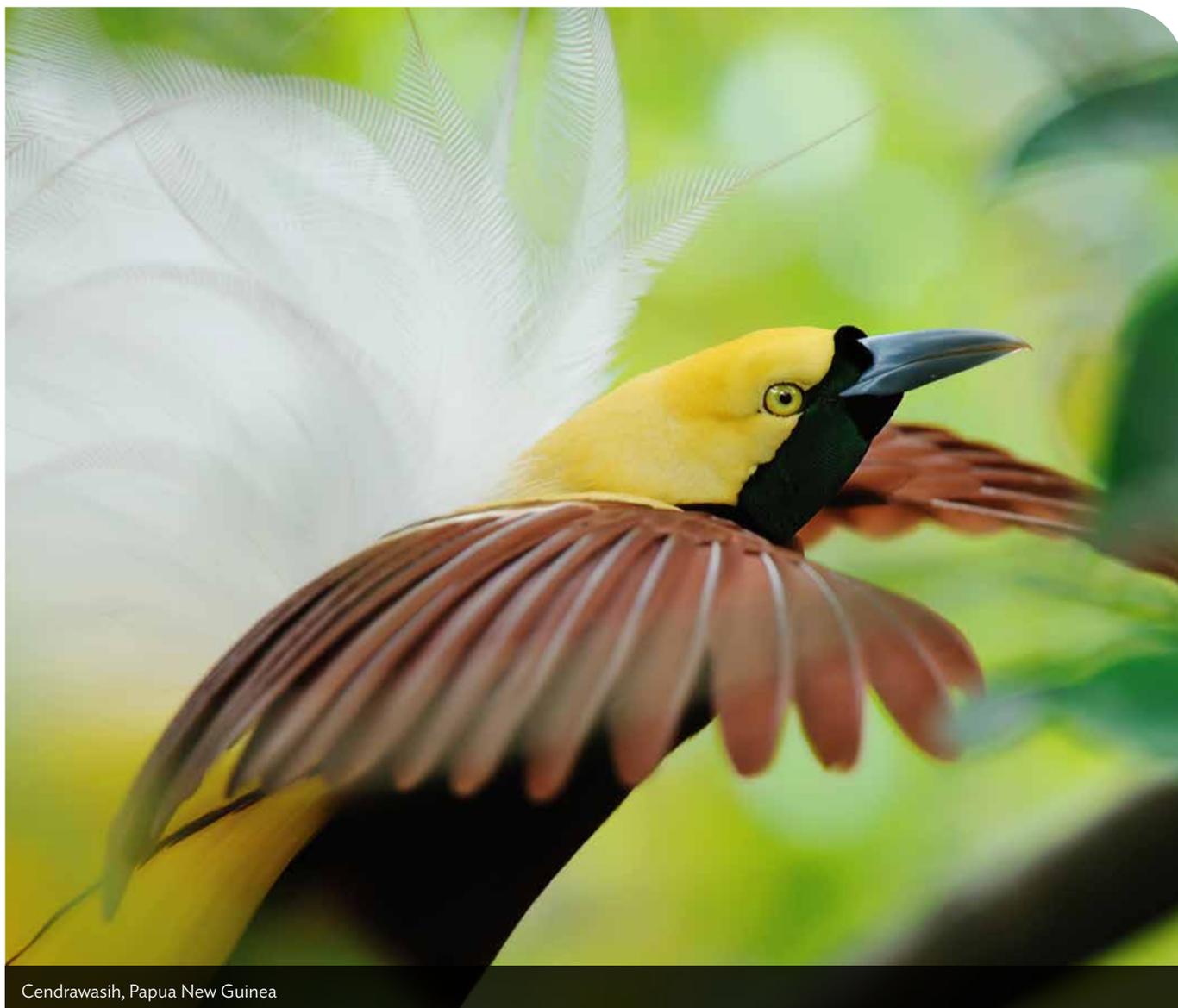
Poor management of solid waste and limited recycling practices limit PNG's desirability as a tourism destination. Dumping and burning of solid waste is common. PNG has two controlled disposal sites, in Lae and Port Moresby, and more than 20 unregulated sites. The majority of Port Moresby's population has no solid waste collection service and recycling is very limited. An estimated 246 tons of plastic waste enter the marine environment daily. A 2010 study found 90,000 tons of plastic waste present as marine debris in the waters around PNG (Pacific Region Infrastructure Facility 2018).

VISITOR DEMAND AND DESTINATION EXPANSION

Demand for tourism is limited by visitors' concerns regarding safety and security. Multiple attacks on major trekking trails,

3 www.papuanewguinea.travel

4 For example, Pacific Region Infrastructure Facility (2019) estimates 12%, while ADB (2020) estimates 54%.



Cendrawasih, Papua New Guinea

and instances of armed robberies at dive resorts and on luxury yachts—widely reported in the international media—have given PNG a reputation as unsafe. This constrains tourist demand, particularly given neighbouring destinations, such as Fiji and Vanuatu, have comparable natural attractions and are perceived as safer.

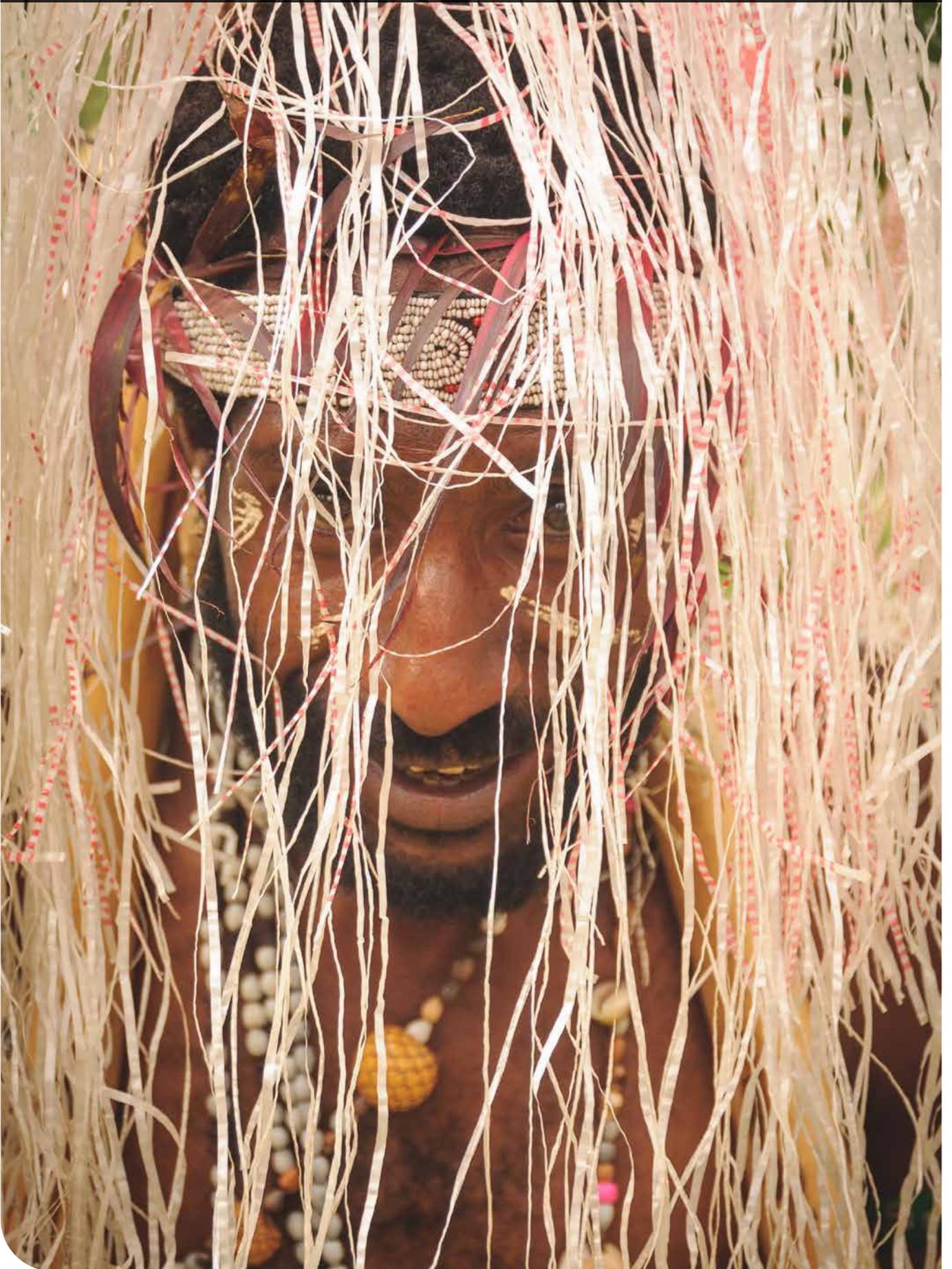
Donor-funded research has proposed a focus on niche markets. A 2018 report produced by the International Finance Corporation (IFC) suggested PNG should focus on attracting five niche tourism market segments—cultural tourism, bird watching, soft adventure, diving, and historical tourism—as opposed to traditional mass market tourism. East New Britain and Milne Bay were identified as the two regions with the highest potential. Under a high growth scenario, the research forecast niche tourist arrivals to reach 86,570 by 2027, if proposed investments are made (IFC 2018).

SECTOR ORGANIZATION

Many private sector organizations struggle with financial stability and available resources. The Tourism Industry

Association has just one full-time staff member for a membership base of 120 businesses. With many members struggling due to travel restrictions implemented to address the COVID-19 pandemic, its membership has recently dropped to 40 members—a drop the association hopes is temporary—further reducing the financial base available to support tourism recovery (PNGTPA, consultations with author, 2020). Provincial associations have received ad-hoc support from regional governments, but many do not have the membership base or capacity to generate sufficient revenue to carry out operations (IFC 2018 and PNGTPA 2006).

Coordination between government and the private sector can be fragmented. Many private sector operators—for example, members of the Divers Association and the Surfing Association—frequently use their own resources to raise awareness of PNG and its niche markets. This includes promoting PNG at trade shows and through print and online advertising. The need to self-fund can create hostility towards the government, which is often seen as out of touch with the industry and non-consultative in its use of funds (various tourism stakeholders, consultations with author, 2020).



ECONOMY, POLITICS, AND GOVERNMENT

PNG is one of the more difficult countries in the world in which to do business. Previous studies have found a lack of business security—or a lack of law and order—to be the most pressing challenge for the private sector (ADB 2015). This is compounded by low confidence in law enforcement and the judiciary. The situation discourages new investments in tourism and necessitates increased security by many existing businesses—such as large hotels—adding significantly to operating costs.

PNG’s restrictive visa policy is an additional deterrent for visitors. A visa on arrival is available for passport holders from 72 jurisdictions, including Australia, New Zealand, the United Kingdom, and the United States. For nationalities not eligible for a visa on arrival—including nationals from Asia, Eastern Europe, and the Middle East—the visa application process can take up to 6 weeks. During this time, the applicant’s passport remains with PNG immigration, which is both undesirable and unfeasible for many potential visitors (IFC 2018).

Inefficient state-owned enterprises dominate critical sectors of PNG’s economy. PNG’s national carrier, Air Niugini, has expensive fares and unreliable services (IFC 2018). Government-owned providers of water and electricity are inefficient, while PNG’s physical infrastructure—roads, ports, and airports, for example—is often poorly maintained (ADB and Institute of National Affairs 2014). This impedes tourism development and increases business costs, and many visitors cite infrastructure—even ahead of safety and security—as the aspect of their experience most in need of improvement (NZTRI 2020).

LAND ACCESS AND DEVELOPMENT

Although foreign investment in the tourism sector is encouraged, difficult application processes and issues with land access hinder potential investment. Approximately 97% of all land in PNG is customarily owned, with 2.5% considered public land, and 0.5% freehold (ADB 2015). Land leasing for resort development is constrained by a lack of clear titles, frequent disputes with lessors and poor processes for dispute resolution. There is currently no framework in place to enable access to tourist sites while ensuring equitable compensation to landowners. Access is usually permitted on an ad-hoc basis: dive and surf operators, for example, tend to negotiate individually with landowners to access the water. While established operators have mutually beneficial arrangements—like ongoing contributions to community projects, for instance—disputes are not uncommon. The Kokoda Trail was temporarily closed in 2018 due to unresolved land access issues.

EMPLOYMENT AND TRAINING

Awareness of tourism as a vocation is limited and the quality of tourism training varies. Despite the range of training opportunities available, school-aged students in PNG receive very little information about potential tourism career paths. This has caused low uptake in some tourism programs, and a perception that tourism employment is limited to unskilled hospitality work. There are also concerns some hospitality training is focused on theory rather than practical learning, producing graduates who lack the necessary skills to work in the tourism industry (PNGTPA 2006).

Gulf Mask Festival, Toare Village, Gulf Province, Papua New Guinea



Box 6: Impact of COVID-19 on Papua New Guinea's Tourism Sector

The Government of Papua New Guinea (PNG) declared a state of emergency on 23 March 2020. This followed confirmation of the country's first case of coronavirus disease (COVID-19), and restrictions included a ban on domestic and international travel. After a period of hard lockdown, the economy gradually reopened. By 31 July 2021, PNG had recorded 17,637 confirmed cases of COVID-19 and almost 200 known deaths (World Health Organisation n.d.). Borders remain closed to travelers, except for residents and approved arrivals from selected countries of origin, and all incoming passengers must complete a period of quarantine (Air Niugini n.d.).

Border closures have had a severe impact on PNG's tourism sector. Visitor arrivals in 2020 were just 38,665—an 82% decrease from 2019 (Pacific Tourism Organisation 2021). As early as mid-April 2020, 95% of tourism businesses reported being impacted, with 100% saying the biggest issue was a decline in revenue. 90% of 2020 bookings had been cancelled, 1,209 staff were laid off, and K67.9 million of revenue was lost. 74% of tourism businesses had either closed or experienced an interruption that harmed their trading (Papua New Guinea Tourism Promotion Authority [PNGTPA] 2020). In November, the Minister for Tourism, Arts, and Culture estimated that losses totaling close to K70 million had been recorded by 43 of the 60 major tourism business operations in the country (The National 2020).

While the tourism sector's contribution to gross domestic product is relatively small, the projected economic impact of COVID-19 is significant. By June 2020, 92% of all businesses in PNG reported a negative impact. 93% reported a decline in revenue, and 92% believed the local economy had been impacted. In December 2020, while 70% of business owners reported feeling “somewhat confident” their business would survive the pandemic, no businesses reported feeling “very confident” of their survival, down from 36% earlier in the year. 30% of businesses reported being temporarily closed in December 2020 (Pacific Trade Invest 2021). In September 2021, ADB determined PNG's gross domestic product contracted by 3.3% in 2020, and forecast a growth of 1.3% in 2021 and 4.1% in 2022 (ADB 2021). Following the 2021 budget, PNG is facing its largest budget deficit since independence (McClure 2021).

There is some optimism for a tourism rebound, with vaccination paving the way for reopening (Upe 2021). Scaling down of COVID-19 testing began in July 2021, with the focus of the pandemic response shifting to vaccination (Radio New Zealand 2021). However, vaccination rates remain low in PNG. By 23 July 2021, 88,343 vaccine doses had been administered (Upe 2021) in a population of 8.74 million, alongside reports of high vaccine hesitancy (Munoz 2021). The cruise industry, however, is reporting high numbers of bookings for 2022–2023 (Upe 2021).

The Government of PNG announced a K5.6 billion stimulus package in April 2020. A COVID-19 impact analysis, prepared by the Papua New Guinea Tourism Promotion Authority, recommended that the government's package include a wage subsidy of K350—the minimum wage—for permanent employees of tourism businesses, for 8 weeks (PNGTPA 2020). Additionally, it proposed a K10,000 grant for small and medium-sized tourism businesses, directed towards outcome-based projects. However, by July 2021, tourism employees and small businesses had not received the recommended support (PNGTPA, consultation with author, 2021).

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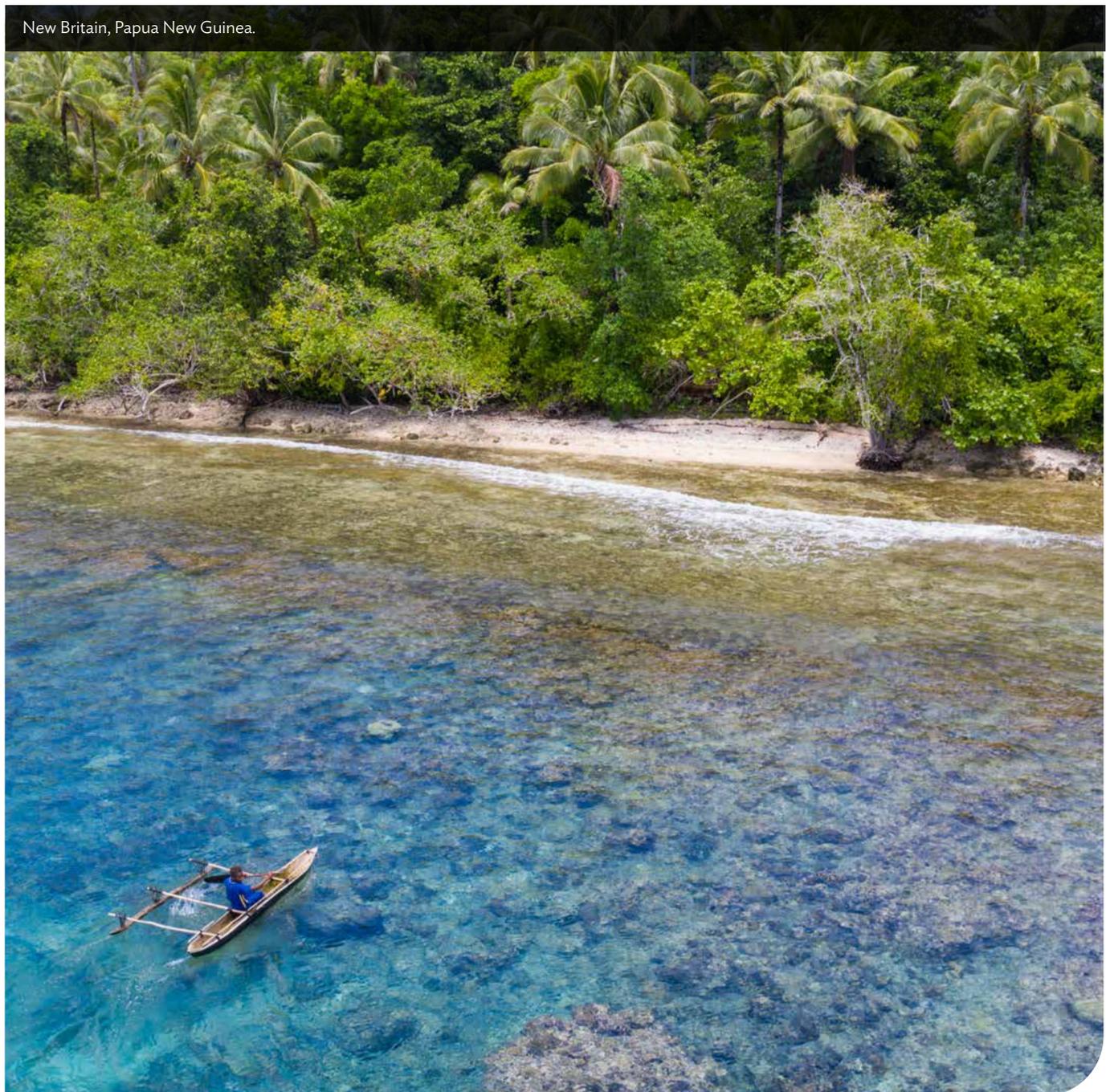
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