INTERNATIONAL VISITOR SURVEY

PAPUA NEW GUINEA 2019

Published May 2020
International air arrivals

Papua New Guinea — A MILLION DIFFERENT JOURNEYS

NZTRI — NEW ZEALAND TOURISM RESEARCH INSTITUTE

Australian Aid

NEW ZEALAND FOREIGN AFFAIRS & TRADE

IFC International Finance Corporation WORLD BANK GROUP — Creating Markets, Creating Opportunities

COVID-19 IMPACT AND RESPONSE

100% of destinations worldwide had some level of travel restriction in place by April 2020.

UNWTO estimates that travel and tourism will decline by 58 to 78 percent in 2020.

The PNG Tourism Promotion Authority's COVID-19 survey found that:

- more than 1,200 workers in the tourism industry have been laid off and
- 100% of businesses report a significant decline in revenues.

Improving health and hygiene is critical to build consumer confidence with 66% of PNG tourism businesses surveyed already doing so.

Increased competition among destinations will require strong destinations awareness marketing when travel resumes.

Protecting jobs for women is necessary to limit gender impacts of COVID-19.

Tourism SMEs should leverage digital tools with support of the PNG Tourism Promotion Authority in the short term.

IMPORTANCE OF THE INTERNATIONAL VISITOR SURVEY (IVS)

- **Provides unique insight** to current tourism markets.
- Creates a baseline from which government and industry stakeholders can **measure growth and track trends.**
- **Presents profiles** of current visitors.
- Increases **understanding of travel patterns** in the PNG provinces and regions.
- **Provides data to inform marketing strategies** including key market segments, distribution channels and motivation factors.
- Allows for businesses and government to make **evidence-based decisions** for marketing, product development, policy and strategies.
- **The database grows over time** enabling further data mining and the addition of new themes.

SUMMARY OF KEY FINDING: VISITOR SPEND

JANUARY – DECEMBER 2019 TOTAL AIR ARRIVALS

USD 204.3M

TOTAL SPEND USD

0.8% decrease from 2018

PGK 707.6M

TOTAL SPEND PGK

94,749

TOTAL VISITORS

0.1% increase from 2018

USD 2,154
PGK 7,461

PER VISITOR PER TRIP

0.9% decrease from 2018

USD 218
PGK 755

PER VISITOR PER DAY

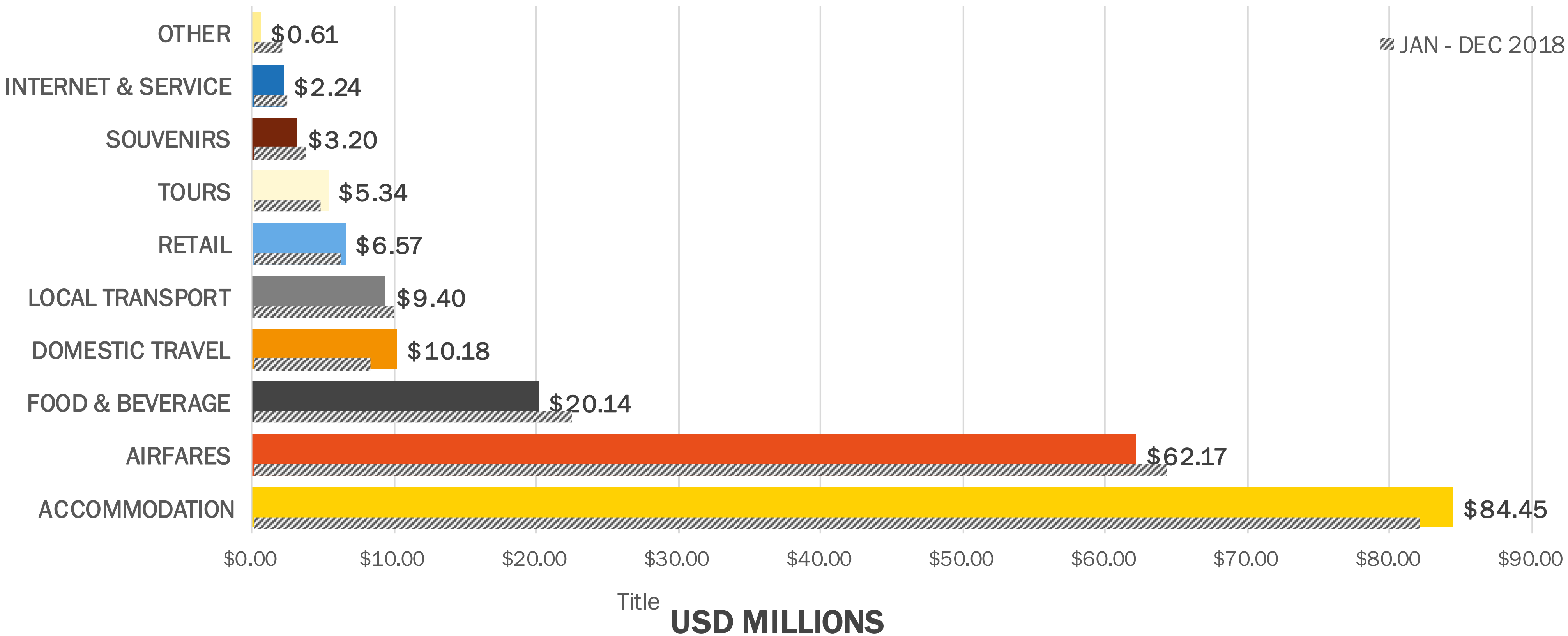
1.8% decrease from 2018

While arrivals and average spend per trip have stayed relatively stable since 2018, there is a lower spend per day. This may be driven by a longer length of stay by the VFR market, a lower spending market. Similar to last year, flattening of spend per trip is a trend seen regionally.

DIRECT ECONOMIC IMPACT OF VISITOR SPEND

JANUARY – DECEMBER 2019 TOTAL VISITORS

SPEND IN COUNTRY AND PRIOR TO ARRIVAL



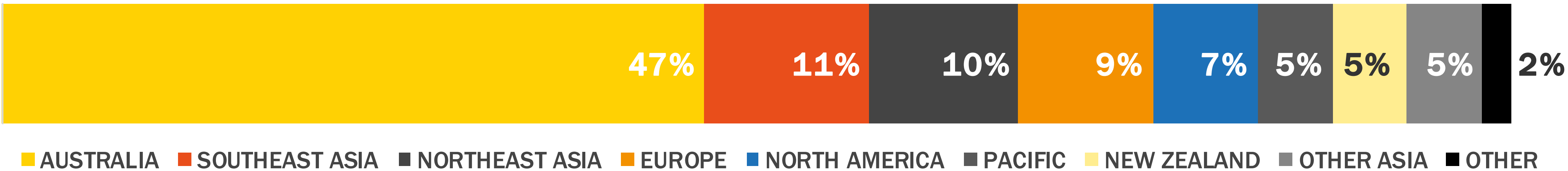
Light gray bars represent 2018 total spend in same categories

Despite the overall lower spend in 2019 than 2018, accommodation and domestic travel earned more this year than the previous year. Airfares, food and beverage, and local transport saw an overall decrease in total earnings.

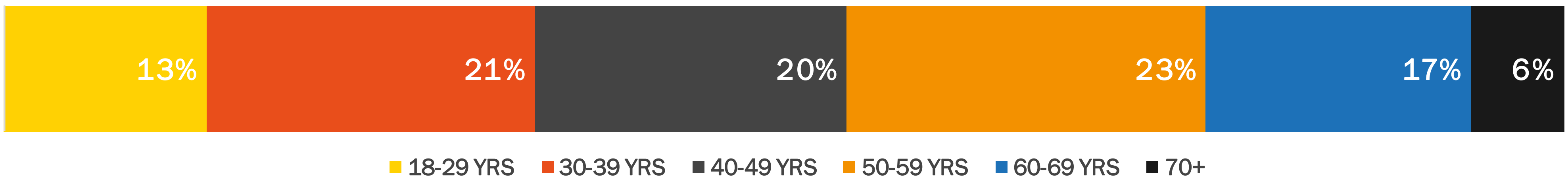
TOTAL VISITORS DEMOGRAPHICS

JANUARY – DECEMBER 2019 TOTAL VISITORS

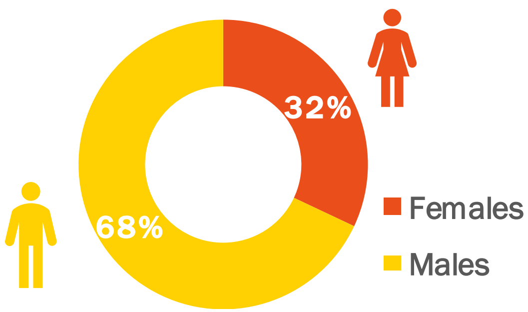
TOTAL VISITORS (%) BY MARKET



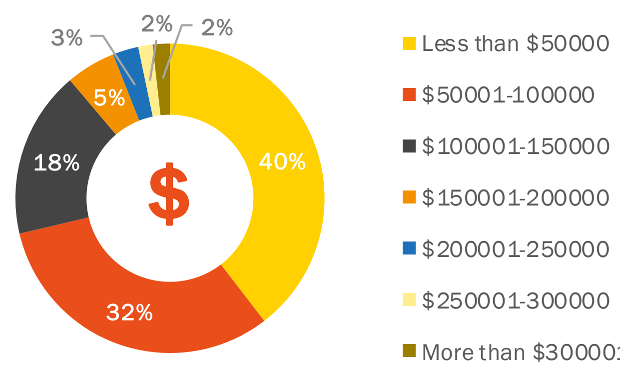
VISITOR AGE (%)



GENDER



HOUSEHOLD INCOME (USD)



PNG continues to rely heavily on the Australian market for visitor arrivals. Similarly to 2018, there is a trend for middle-aged male travelers, reflecting the importance of business and adventure tourism markets. About 28% of visitors have a household income over US$100,000, likely reflecting smaller but more valuable holiday markets, such as cultural and historical tourists.

Note: Total visitors (%) by market percentages based on actual immigration data not IVS responses.

PURPOSE OF VISIT

JANUARY – DECEMBER 2019 TOTAL VISITORS

BUSINESS

50%

AVERAGE LENGTH OF STAY

9.4 NIGHTS

SPEND USD

$2,222 PER PERSON PER TRIP

HOLIDAY

34%

▲ 1% MORE THAN 2018

AVERAGE LENGTH OF STAY

10.2 NIGHTS

▼ 3% DECREASE FROM 2018

SPEND USD

$2,345 PER PERSON PER TRIP

▼ 7% DECREASE FROM 2018

VISITING FRIENDS & RELATIVES

16%

AVERAGE LENGTH OF STAY

10.9 NIGHTS

SPEND USD

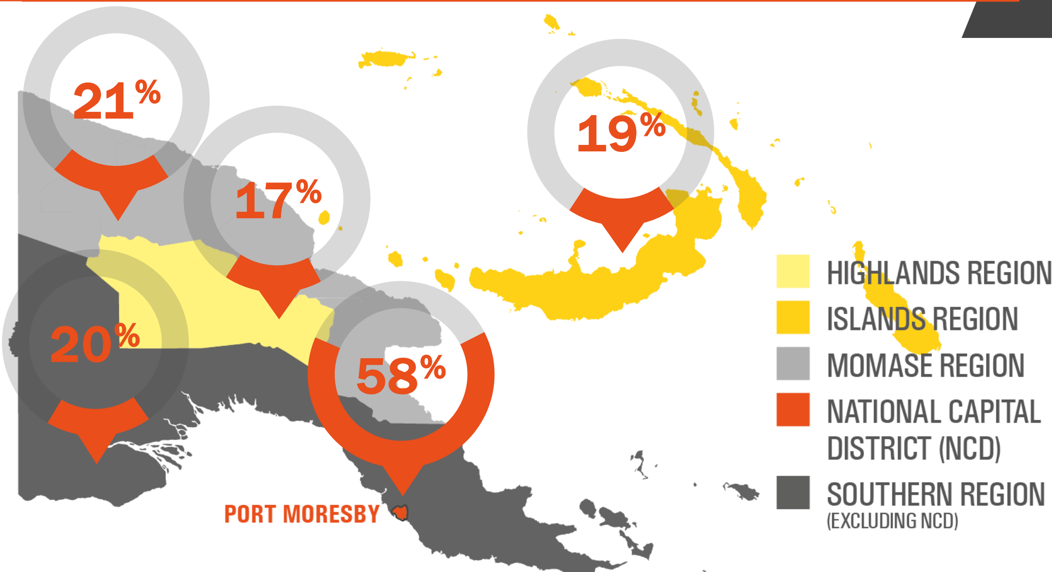
$1,339 PER PERSON PER TRIP

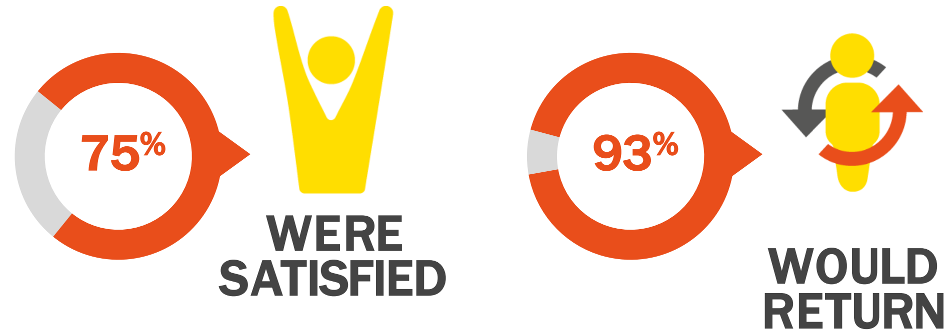
The share of holiday visitors rose again in 2019, by 1% to 34% of total visitor arrivals. In 2019, VFR visitors stayed longer than other visitor types, but remained the lowest spenders of the three. Holiday makers remain the highest spenders in PNG, spending 5% more than business travelers, and 75% more than VFR visitors per person per trip.

Note: Purpose of visit percentages based on IVS responses not actual immigration data.

REGIONS VISITED & VISITOR SATISFACTION

JANUARY – DECEMBER 2019 TOTAL VISITORS





TOTAL VISITATION TO THE PROVINCES

JANUARY – DECEMBER 2019 TOTAL VISITORS

- 64% 1. National Capital District
- 15% 2. Central Province
- 12% 3. Morobe
- 8% 4. Western Highlands
- 8% 5. Northern Province
- 8% 6. East New Britain
- 7% 7. Eastern Highlands
- 7% 8. Madang
- 7% 9. New Ireland
- 6% 10. Milne Bay Province
- 5% 11. East Sepik
- 4% 12. West New Britain

In 2019, 66% of visitors traveled to the provinces compared to 63% of visitors in 2018. Central and Northern provinces remain among the top visited, due to the popularity of the Kokoda Track. Visitation to Morobe and Western Highlands is likely driven by business travel. The tourism hub of East New Britain is the next most popular, positioning it well for future growth.

TOTAL VISITORS PROVINCIAL VISITATION

JANUARY – DECEMBER 2019 TOTAL VISITORS

EAST NEW BRITAIN

7,580
TOTAL VISITORS

▲ 0.1%
INCREASE FROM 2018

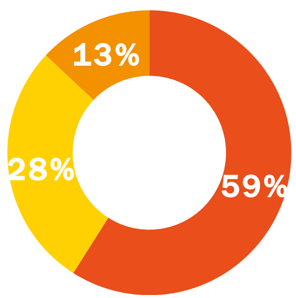
AVE. LENGTH OF STAY IN ENB

4.4
NIGHTS

SPEND

$251
USD SPEND PER DAY

PURPOSE OF VISIT



- Holiday
- Business
- VFR

USD 8.4M
TOTAL SPEND USD

▼ 18%
DECREASE FROM 2018

MILNE BAY

5,685
TOTAL VISITORS

▼ 24%
DECREASE FROM 2018

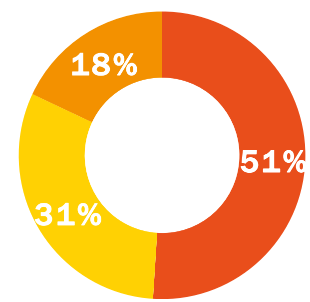
AVE. LENGTH OF STAY IN MB

8.6
NIGHTS

SPEND

$203
USD SPEND PER DAY

PURPOSE OF VISIT



- Holiday
- Business
- VFR

USD 9.9M
TOTAL SPEND USD

▼ 24%
DECREASE FROM 2018

Note: Estimate economic impact to East New Britain and Milne Bay

INTERNATIONAL VISITOR SURVEY

HOLIDAY MARKET PROFILES

JANUARY – DECEMBER 2019

NICHE MARKETS AS % OF HOLIDAY ARRIVALS

USD 9.8M
TOTAL SPEND USD

18%

ADVENTURE

AVERAGE LENGTH OF STAY

10.8 NIGHTS

SPEND USD

$1,691 PER PERSON PER TRIP

USD 15.3M
TOTAL SPEND USD

14%

CULTURAL

AVERAGE LENGTH OF STAY

10.8 NIGHTS

SPEND USD

$3,406 PER PERSON PER TRIP

USD 5.6M
TOTAL SPEND USD

8%

HISTORICAL

AVERAGE LENGTH OF STAY

9.2 NIGHTS

SPEND USD

$2,178 PER PERSON PER TRIP

NICHE MARKETS AS % OF HOLIDAY ARRIVALS

USD 9.5M
TOTAL SPEND USD

11%

DIVING

AVERAGE LENGTH OF STAY

10.8
NIGHTS

SPEND USD

$2,694
PER PERSON
PER TRIP

USD 9.7M
TOTAL SPEND USD

5%

BIRDWATCHING

AVERAGE LENGTH OF STAY

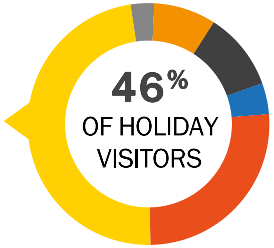
13.1
NIGHTS

SPEND USD

$6,039
PER PERSON
PER TRIP

JAN–DEC 2019 HOLIDAY VISITORS

AUSTRALIA



11,701
TOTAL VISITORS

USD 22.4M
TOTAL SPEND USD

PGK 77.7M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

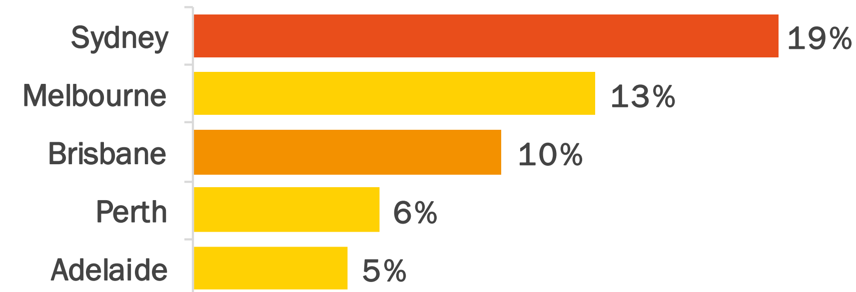
10.2
NIGHTS

SPEND

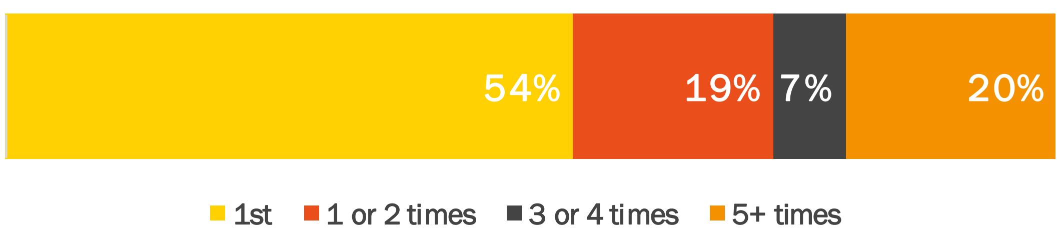
$1,922
USD SPEND PER TRIP

$188
USD SPEND PER DAY

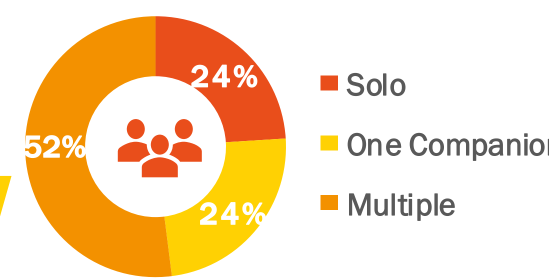
TOP 5 CITIES



PREVIOUS VISITS



TRAVEL GROUP

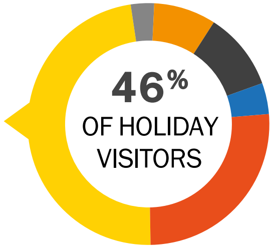


Australians remain the largest holiday market, but their market share has dropped from 53% in 2018 to 46% in 2019. Australians are now the lowest spending market (previously New Zealand). They remain the strongest repeat visitor market, with 46% having visited PNG at least once before. Holiday visitors from Melbourne and Brisbane have declined from 2018.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

AUSTRALIA



TOP 5 PROVINCES VISITED

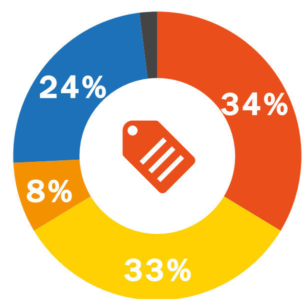
- 50% 1. National Capital District
- 36% 2. Central Province
- 30% 3. Northern Province
- 13% 4. New Ireland
- 9% 5. East New Britain

TOP 10 ACTIVITIES

- 81% 1. Visited villages
- 73% 2. Visiting the beach
- 71% 3. Local markets
- 70% 4. Sightseeing
- 69% 5. Swimming
- 66% 6. WWII history related tours
- 65% 7. Hiking and walking
- 52% 8. Local dance and music
- 49% 9. Local language and art
- 48% 10. Kokoda trail

INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS

HOW DID YOU PURCHASE YOUR TRAVEL?



- A travel agent
- Myself using the Internet
- A mix of online booking and travel agent
- By others (business, friends, relatives)
- Other

The Australian market is driven by adventure and historical tourism, evidence in the high percent of visitors who traveled to Central and Northern Provinces. More than any other market, Australians rely on previous visits and friends and family for trip planning, also using internet searches to aid in the planning process. Over a third of Australians used a travel agent to purchase their travel, while another third booked themselves.

Note:
- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

NEW ZEALAND

758
TOTAL VISITORS

USD 1.8M
TOTAL SPEND USD

PGK 6.1M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

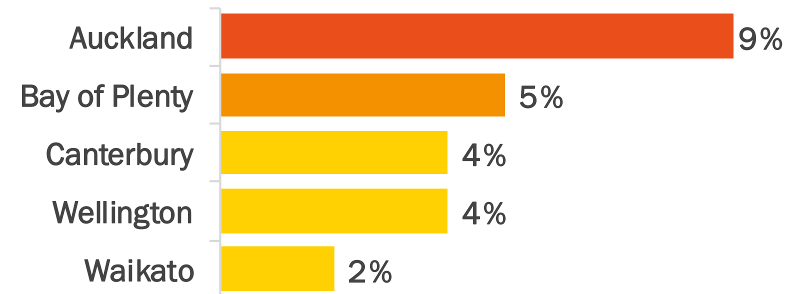
11.5
NIGHTS

SPEND

$2,322
USD SPEND PER TRIP

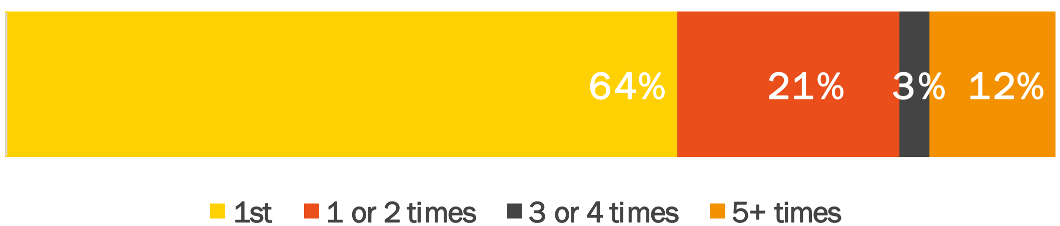
$202
USD SPEND PER DAY

TOP 5 REGIONS*

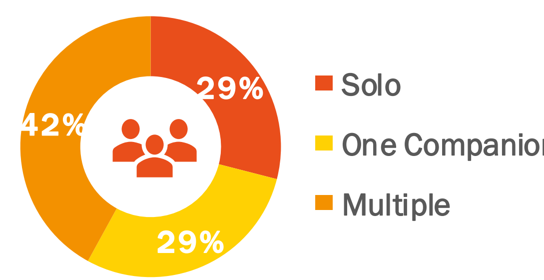


* Responses

PREVIOUS VISITS



TRAVEL GROUP

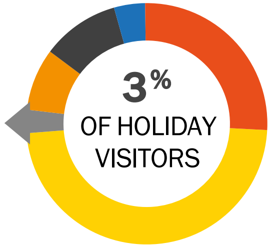


New Zealanders remain a small holiday market, at just 3% of holiday arrivals. 2019 saw an increase in length of stay for New Zealand arrivals, increasing from 9.6 nights to 11.5 nights on average. Similar to Australia, there is a trend of group travel, with 42% of visitors traveling with multiple companions. Operators conducting targeted marketing should focus on Auckland.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

NEW ZEALAND



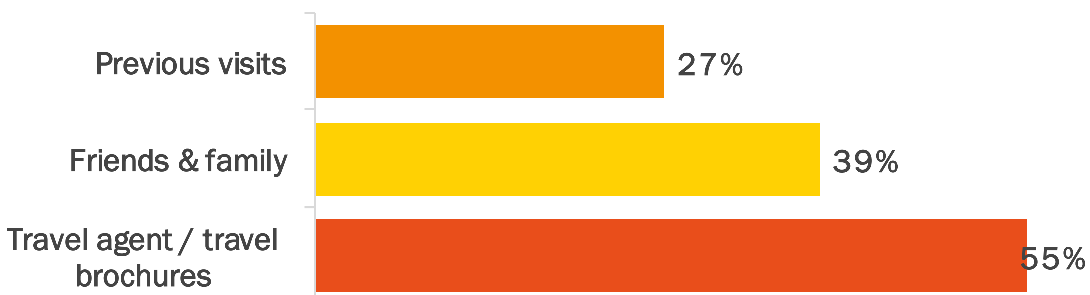
TOP 5 PROVINCES VISITED

- 36% 1. National Capital District
- 28% 2. New Ireland
- 28% 3. Eastern New Britain
- 25% 4. West New Britain
- 14% 5. Autonomous Region of Bougainville

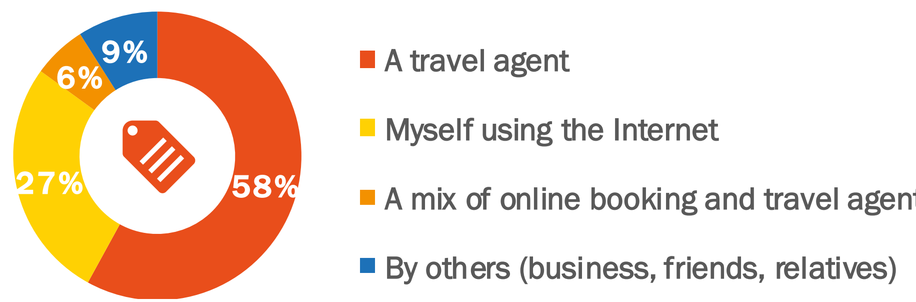
TOP 10 ACTIVITIES

- 81% 1. Visiting the beach
- 75% 2. Local markets
- 71% 3. Sightseeing
- 64% 4. Visited villages
- 54% 5. Diving
- 54% 6. Snorkelling
- 46% 7. Local dance and music
- 46% 8. Local language and art
- 46% 9. Swimming
- 43% 10. Local events and celebrations

INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS



HOW DID YOU PURCHASE YOUR TRAVEL?



New Zealanders were more likely to visit Eastern New Britain and West New Britain in 2019 than in previous years. New Zealanders participate in nature and ecotourism activities, with a secondary motivation of cultural activities. Family and friends remains an important source of information for planning, but New Zealanders also rely on traditional travel agents.

Note:
- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

NORTH AMERICA

1,989
TOTAL VISITORS

USD 9.2M
TOTAL SPEND USD

PGK 31.9M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

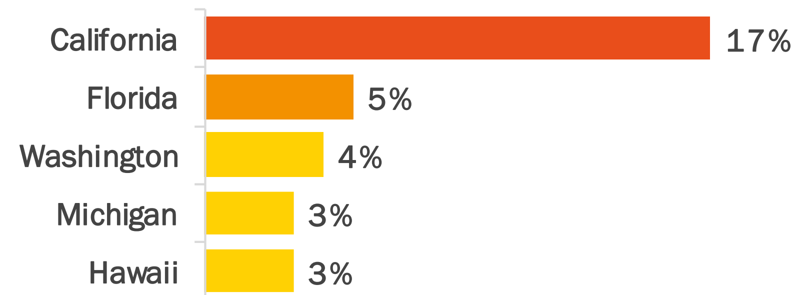
12.1 NIGHTS

SPEND

$4,638 USD SPEND PER TRIP

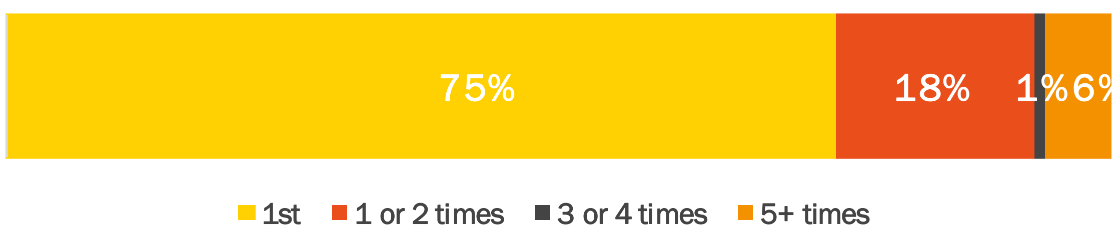
$383 USD SPEND PER DAY

TOP 5 STATES*

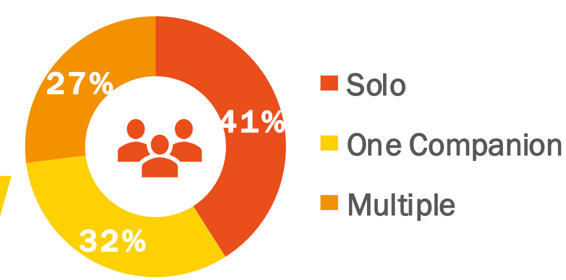


* Responses

PREVIOUS VISITS



TRAVEL GROUP



North America was the highest spending holiday market in 2019, linked to a high spend per day and the longest length of stay of the holiday markets. They are predominantly first time visitors, with only 25% having previously visited. 2019 saw an increase in solo North American travelers, with 41% visiting alone. Marketing to West Coast populations remains a priority.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

NORTH AMERICA

TOP 5 PROVINCES VISITED

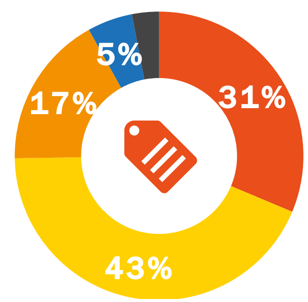
- 56% 1. National Capital District
- 37% 2. Western Highlands
- 24% 3. East Sepik
- 21% 4. Madang
- 21% 5. East New Britain

TOP 10 ACTIVITIES

- 81% 1. Local markets
- 79% 2. Visited villages
- 69% 3. Local language and art
- 68% 4. Sightseeing
- 66% 5. Local dance and music
- 66% 6. Handicraft demonstrations and shopping
- 65% 7. Visiting the beach
- 65% 8. Cultural festivals and shows
- 63% 9. Local events and celebrations
- 62% 10. Hiking and walking

INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS

HOW DID YOU PURCHASE YOUR TRAVEL?



North American visitors remain motivated by cultural activities, attending cultural festivals and events, visiting villages, and enjoying local art and dance. They were reliant on internet searches for information to plan their trip, with many also making the bookings themselves.

Note:

- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

EUROPE (EXCLUDING UK)

2,530
TOTAL VISITORS

USD 8.3M
TOTAL SPEND USD

PGK 28.8M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

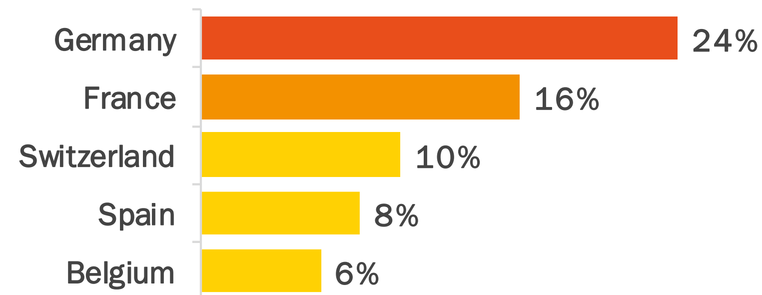
11.5
NIGHTS

SPEND

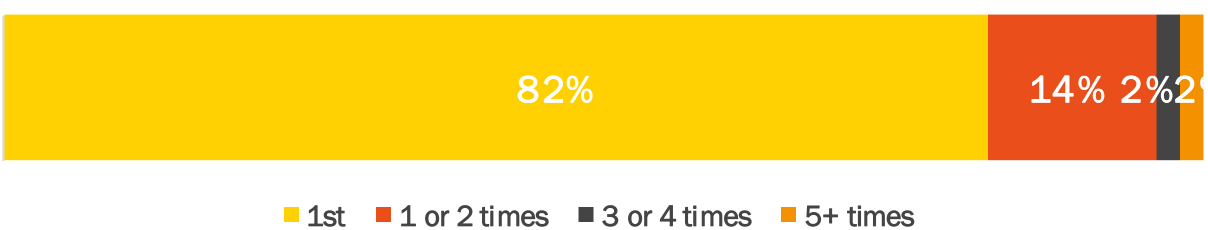
$3,293
USD SPEND
PER TRIP

$286
USD SPEND
PER DAY

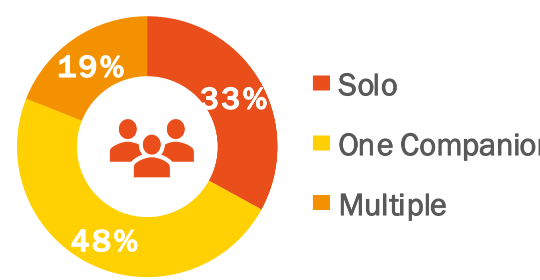
TOP 5 COUNTRIES



PREVIOUS VISITS



TRAVEL GROUP



The European market are predominantly first time visitors to PNG. Germany remains the strongest market in Europe, likely driven by TPA's destination marketing representatives. With the second highest daily spend, Europe should remain a priority for PNG.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

EUROPE (EXCLUDING UK)

10% OF HOLIDAY VISITORS

TOP 5 PROVINCES VISITED

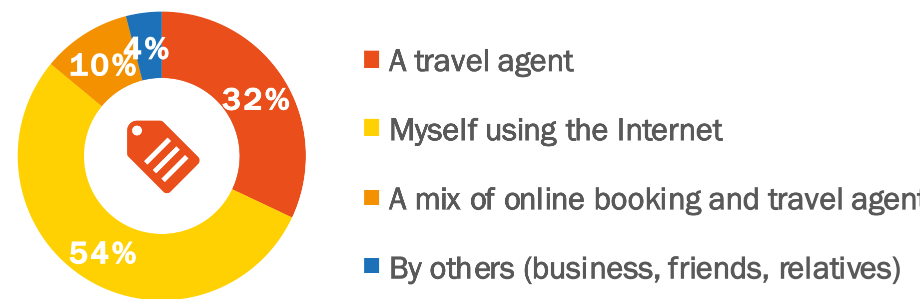
- 56% 1. National Capital District
- 27% 2. Western Highlands
- 26% 3. East New Britain
- 24% 4. Eastern Highlands
- 21% 5. Madang

TOP 10 ACTIVITIES

- 90% 1. Local markets
- 89% 2. Visiting the beach
- 83% 3. Visited villages
- 77% 4. Local language and art
- 71% 5. Sightseeing
- 64% 6. Snorkelling
- 63% 7. Traditional cooking
- 61% 8. Hiking and walking
- 59% 9. Parks, nature reserves and animal sanctuaries
- 58% 10. Swimming

INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS

HOW DID YOU PURCHASE YOUR TRAVEL?

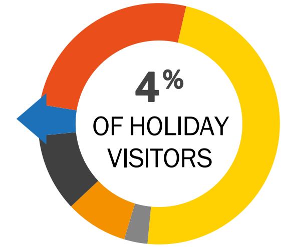


European travelers have a high participation rate in nature-based and cultural tourism activities; popular cultural activities include visiting local markets and villages, and participating in traditional cooking methods. The European market is the most likely to book travel themselves, and use internet searches and travel books in their own languages to help in the planning phase.

Note:
- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

UNITED KINGDOM



904
TOTAL VISITORS

USD 3.3M
TOTAL SPEND USD

PGK 11.3M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

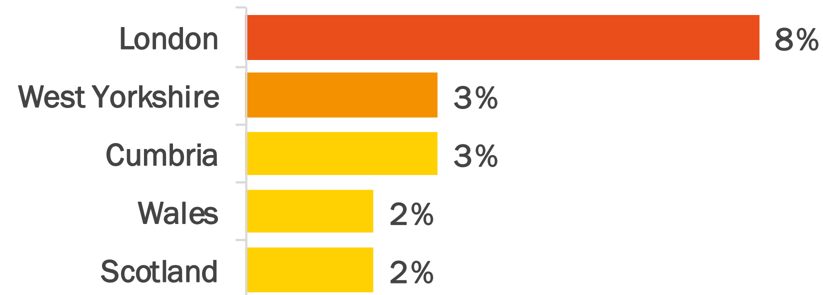
9.7
NIGHTS

SPEND

$3,611
USD SPEND PER TRIP

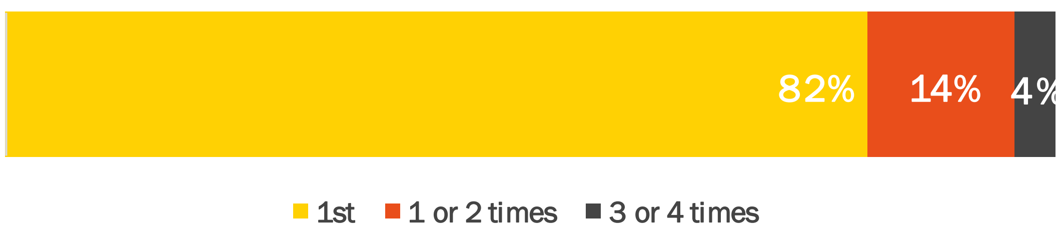
$372
USD SPEND PER DAY

TOP 5 LOCALES*

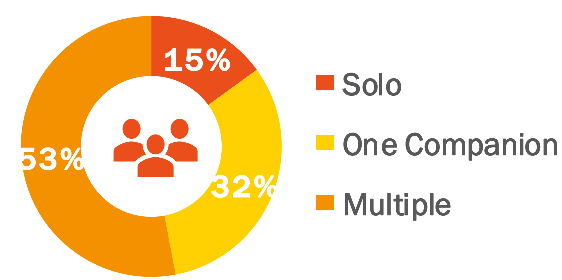


* Responses

PREVIOUS VISITS



TRAVEL GROUP

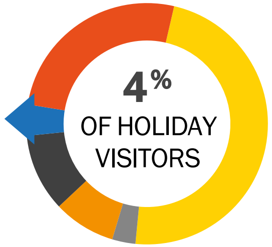


The UK is one of the top spending markets, at US$372 per day, but average length of stay fell in 2019, linking to a decreased spend per trip. This market is the most likely holiday market to travel as a group, with 53% of visitors traveling with multiple companions, up from 33% in 2018. Marketing efforts in the UK should prioritize London as the top locale.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

UNITED KINGDOM



TOP 5 PROVINCES VISITED

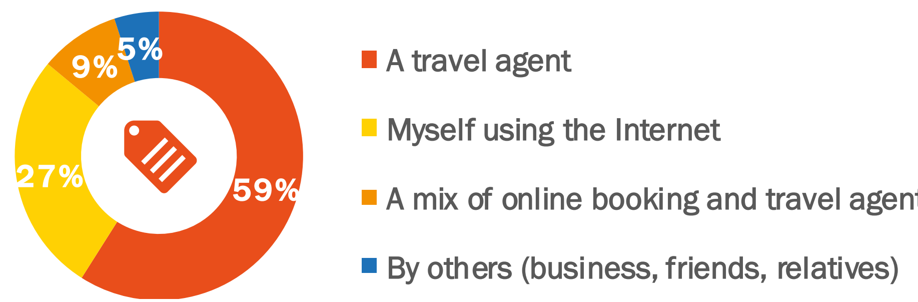
- 76% 1. National Capital District
- 26% 2. Western Highlands
- 21% 3. Enga
- 20% 4. East New Britain
- 14% 5. Eastern Highlands

TOP 10 ACTIVITIES

- 71% 1. Visiting the beach
- 69% 2. Visited villages
- 68% 3. Sightseeing
- 65% 4. Parks, nature reserves and animal sanctuaries
- 62% 5. Birdwatching
- 62% 6. Swimming
- 58% 7. Museums
- 58% 8. Local markets
- 57% 9. Snorkelling
- 56% 10. Handicraft demonstrations and shopping

INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS

HOW DID YOU PURCHASE YOUR TRAVEL?



Visitors from the UK have the highest participation rate in birdwatching out of all the holiday markets; they also participate in nature-based and cultural tourism products. Visitors from the UK are most likely to use a travel agent when making purchases, and use agents and brochures as their top source of information for planning.

Note:
- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

ASIA

6,206
TOTAL VISITORS

USD 15.2M
TOTAL SPEND USD

PGK 52.8M
TOTAL SPEND PGK

AVERAGE LENGTH OF STAY

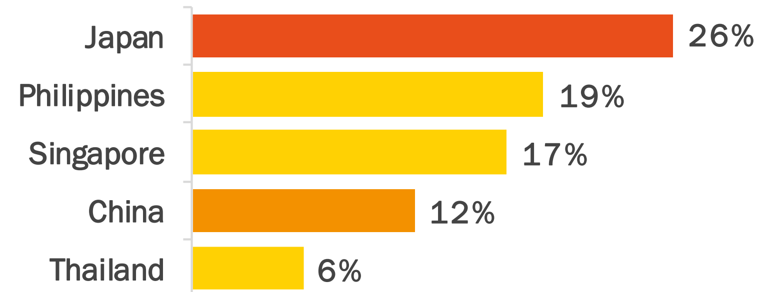
8.8 NIGHTS

SPEND

$2,452 USD SPEND PER TRIP

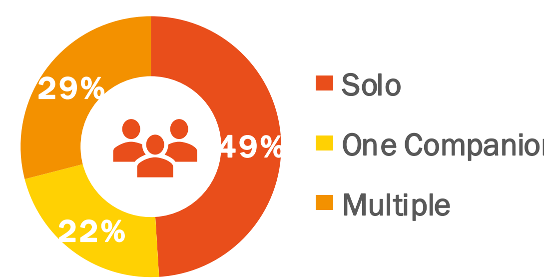
$279 USD SPEND PER DAY

TOP 5 COUNTRIES



PREVIOUS VISITS

TRAVEL GROUP



The Asian holiday market has the highest rate of solo travelers among the holiday markets, with almost half traveling alone. They have a strong spend per day, but the shortest average length of stay out of all the markets. Japan and the Philippines remain the most important sub-markets, and should be prioritized with targeted marketing.

Note: Totals based on actual immigration data by source market and purpose of visit.

JAN–DEC 2019 HOLIDAY VISITORS

ASIA

25% OF HOLIDAY VISITORS

TOP 5 PROVINCES VISITED

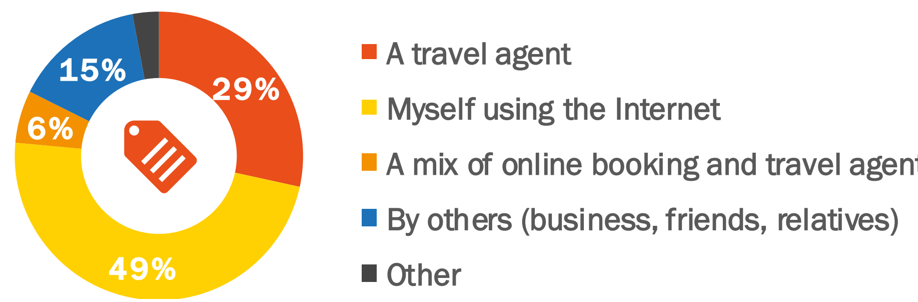
- 59% 1. National Capital District
- 18% 2. Milne Bay Province
- 14% 3. East New Britain
- 13% 4. Central Province
- 10% 5. Madang

TOP 10 ACTIVITIES

- 80% 1. Local markets
- 79% 2. Sightseeing
- 75% 3. Visiting the beach
- 71% 4. Visited villages
- 69% 5. Parks, nature reserves and animal sanctuaries
- 66% 6. Museums
- 66% 7. Local dance and music
- 65% 8. Port Moresby nature park
- 64% 9. Traditional cooking
- 58% 10. Hiking and walking

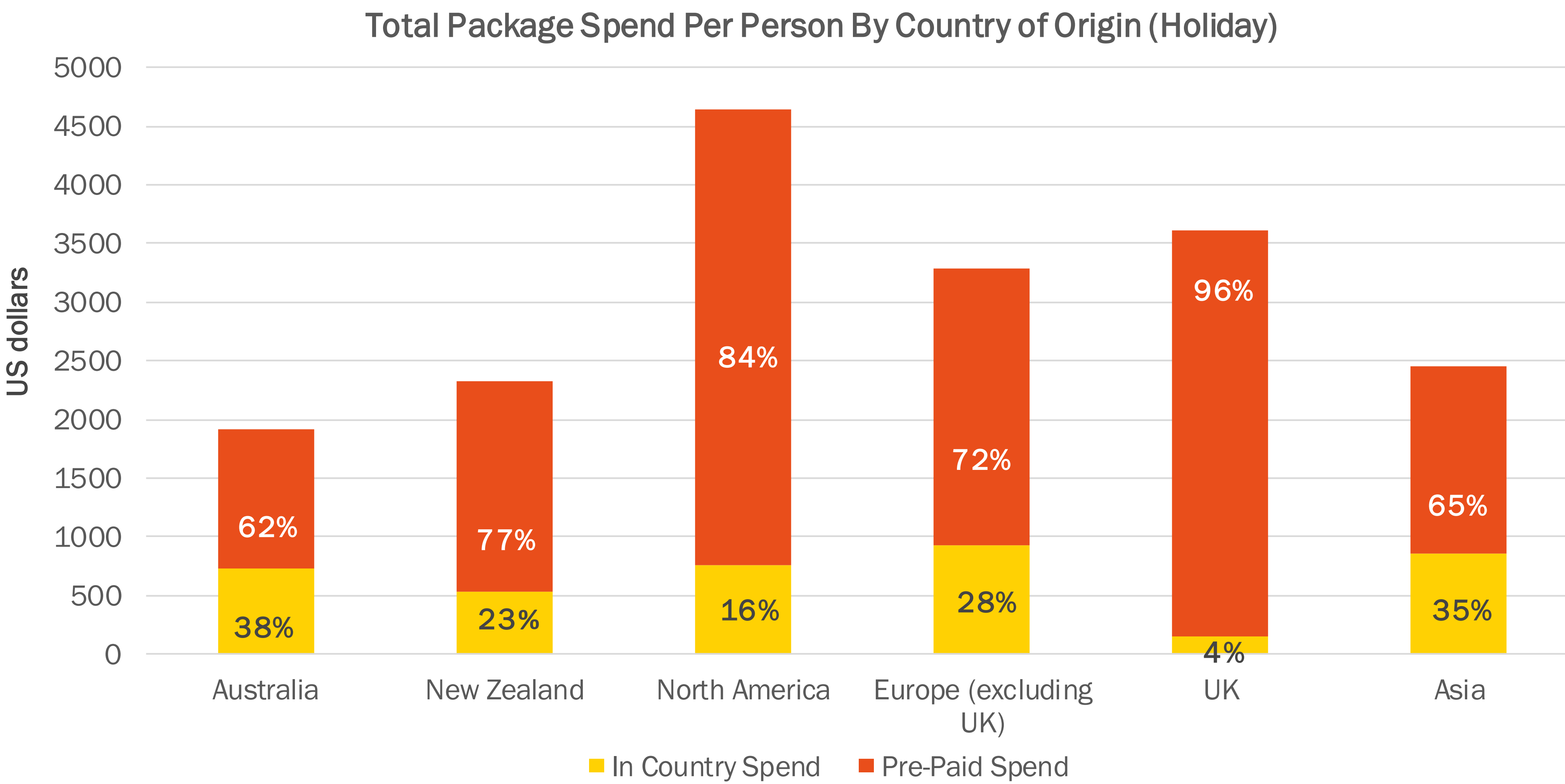
INFORMATION SOURCES USED FOR PLANNING? TOP 3 OPTIONS

HOW DID YOU PURCHASE YOUR TRAVEL?



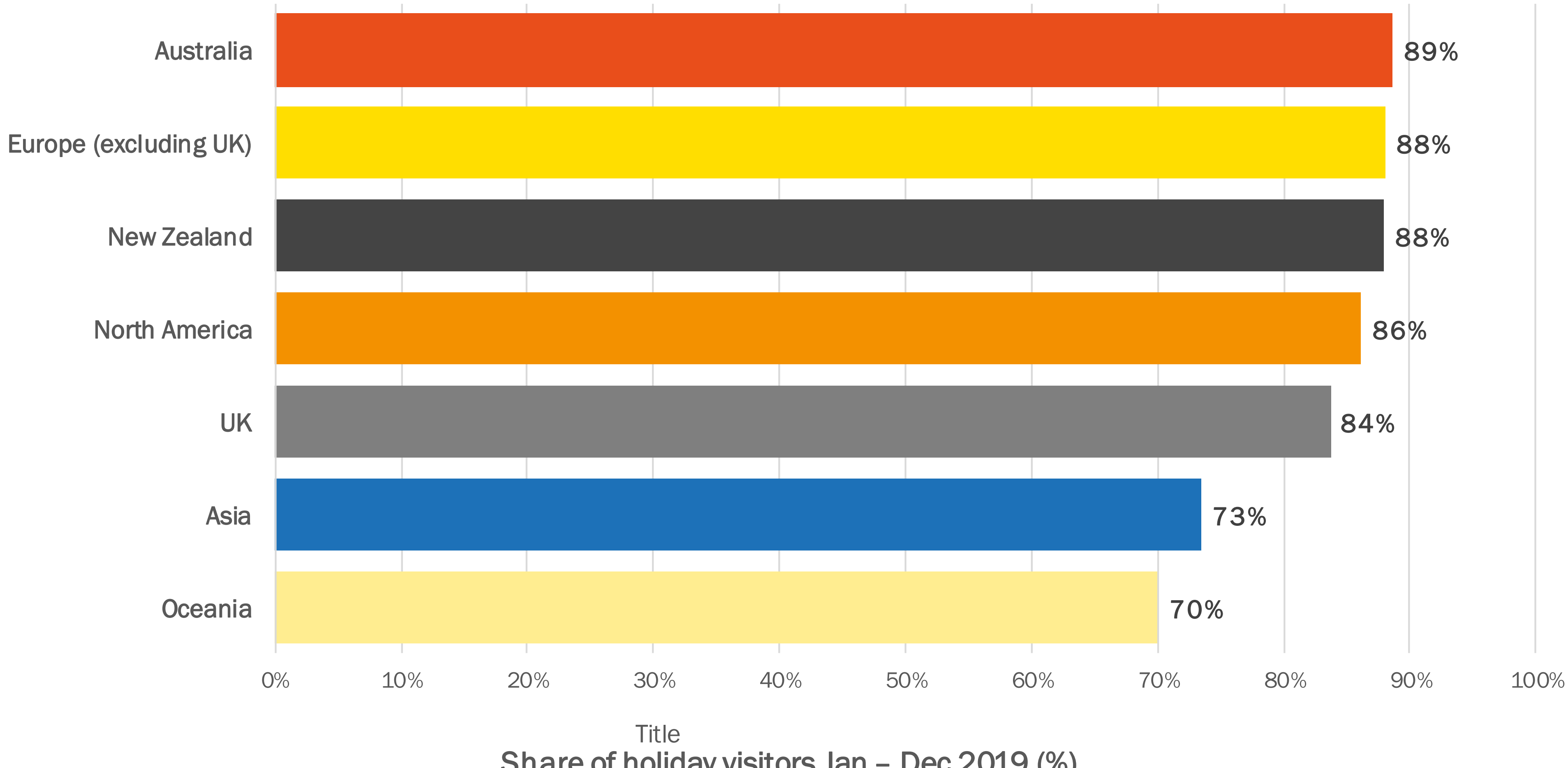
The Asian holiday market shows strong participation in cultural activities, including visiting local villages, markets and museums, and learning about local dances and traditional cooking. This market remains the least likely to travel to the provinces. Asians are more likely to use internet searches and book their travel themselves than most other markets.

Note:
- Multiple responses, therefore totals do not add up to 100%



North American, British and European travelers are still booking and paying for the majority of their trip before traveling. New Zealanders have increased the spend prior to travel and are now on par with the other markets. The Australian market now has the smallest portion of their trip purchased prior to travel, with almost 40% spent in-country.

OVERALL SATISFACTION BY MARKET*

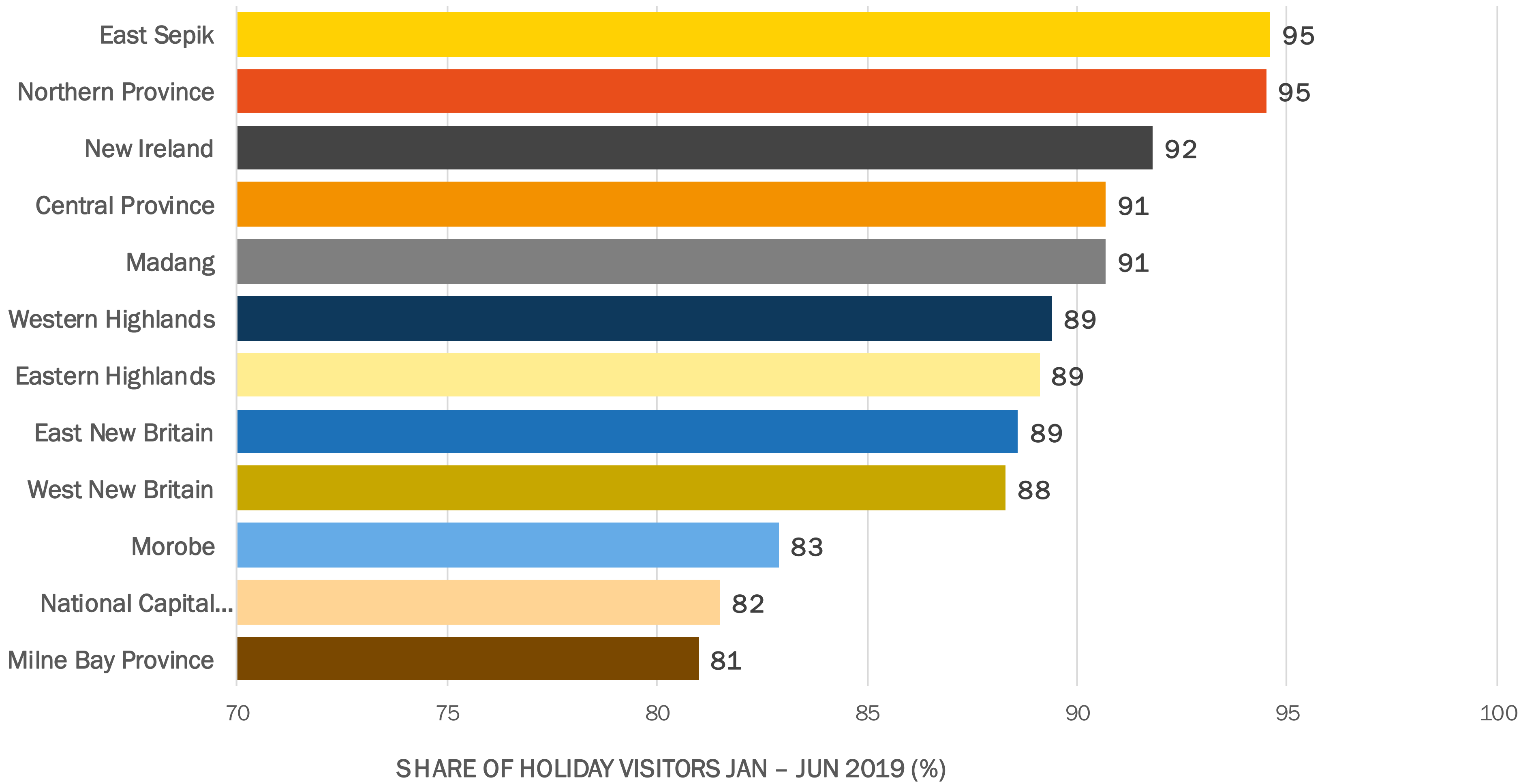


*A satisfied visitor includes respondents who answered 'satisfied' or 'very satisfied'

Overall satisfaction rates for holiday travelers are strong. Australians, Europeans and New Zealanders have the highest rates of satisfaction, with North America and the UK just slightly behind.

JAN–DEC 2019 HOLIDAY VISITORS

OVERALL SATISFACTION BY PROVINCE VISITED*

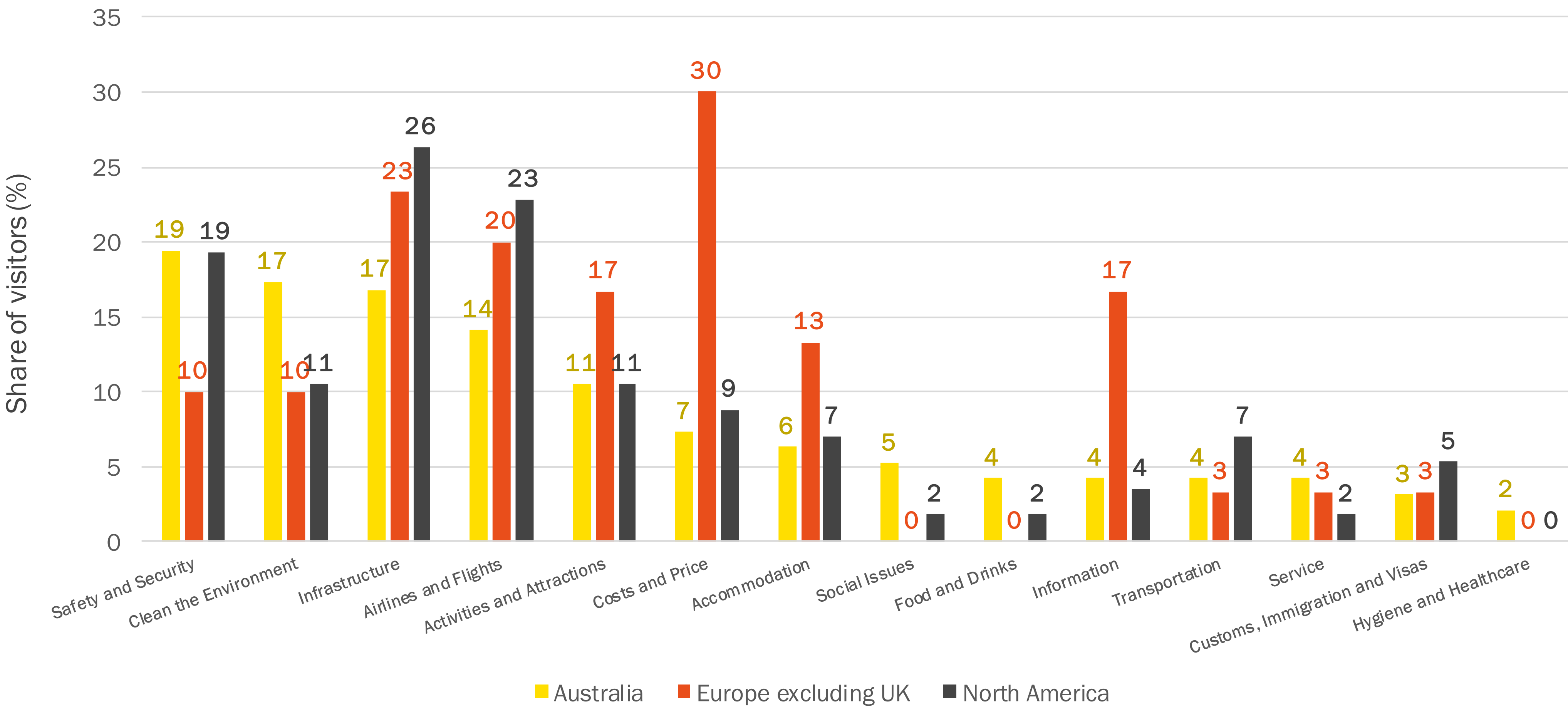


*A satisfied visitor includes respondents who answered 'satisfied' or 'very satisfied'

Satisfaction rates are highest for those who visited East Sepik and Northern Provinces. East Sepik and Madang have seen growth in satisfaction. The lowest satisfaction rates remain from those who traveled to Milne Bay and NCD. This is likely attributed to safety and security issues in these provinces.

JAN–DEC 2019 HOLIDAY VISITORS

IMPROVEMENTS SUGGESTED BY MARKET



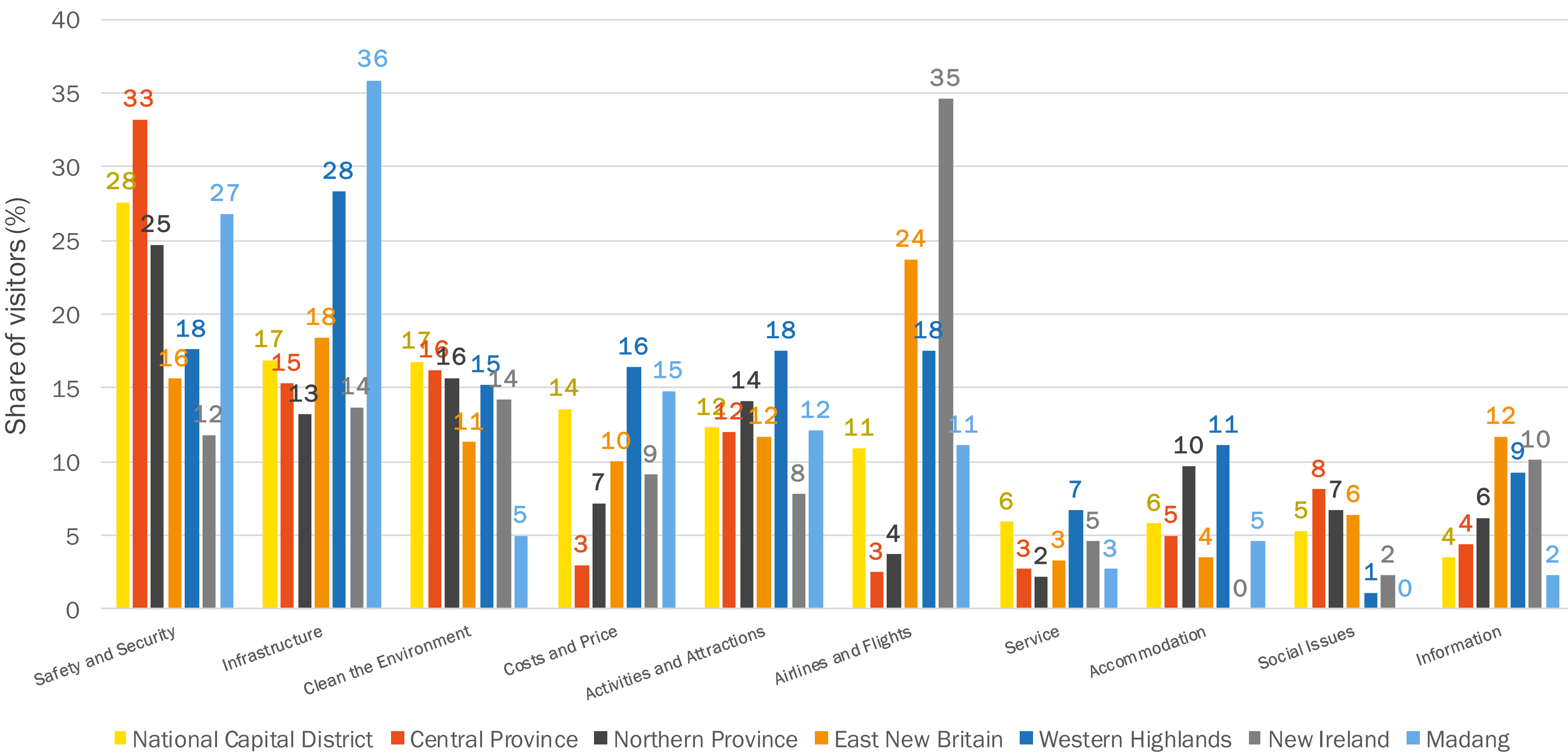
	Australia	Europe excluding UK	North America
Safety and Security	19	10	19
Clean the Environment	17	10	11
Infrastructure	17	23	26
Airlines and Flights	14	20	23
Activities and Attractions	11	17	11
Costs and Price	7	30	9
Accommodation	6	13	7
Social Issues	5	0	2
Food and Drinks	4	0	2
Information	4	17	4
Transportation	4	3	7
Service	4	3	2
Customs, Immigration and Visas	3	3	5
Hygiene and Healthcare	2	0	0

Safety/security, infrastructure, and airlines/flights are the areas most commonly highlighted for improvement by the top three holiday markets. For Europeans, cost/price, activities/attractions, and information are also also seen as key areas for improvement. Notably, Australian visitors also seek better environmental cleanliness.

Note:
- Multiple responses, therefore totals do not add up to 100%

JAN–DEC 2019 HOLIDAY VISITORS

IMPROVEMENTS BY PROVINCE VISITED



Safety and security are considered a key issue in NCD, Central Province, Northern Province and Madang, but less so among the other provinces. Infrastructure is a challenge in Madang and Western Highlands, and airline flights are critical in New Ireland and East New Britain. Western Highlands and Northern Province are most in need of product development to provide a wider array of activities and attractions.

Multiple responses, therefore totals do not add up to 100%

APPENDIX

IFC's work in Papua New Guinea is guided by the Papua New Guinea Partnership. Australia, New Zealand, and IFC are working together through the partnership to promote sustainable economic development, reduce poverty and stimulate private sector investment in Papua New Guinea.

Australian Aid

NEW ZEALAND
FOREIGN AFFAIRS & TRADE

RESPONSE RATE DATA

21,239

TOTAL NUMBER OF EMAILS SENT

2,608

TOTAL NUMBER OF RESPONSES

CONVERSION RATE

12.3%

SPEND RESPONSES COVER

2,476

ADULTS

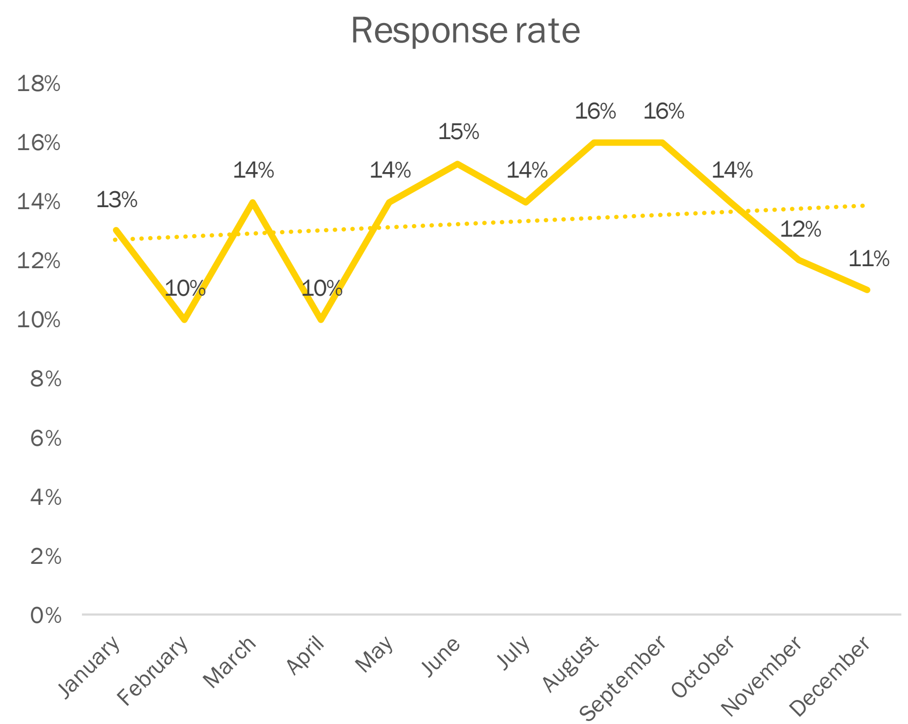
158

CHILDREN

% OF ALL VISITORS DURING THE PERIOD

2.8%

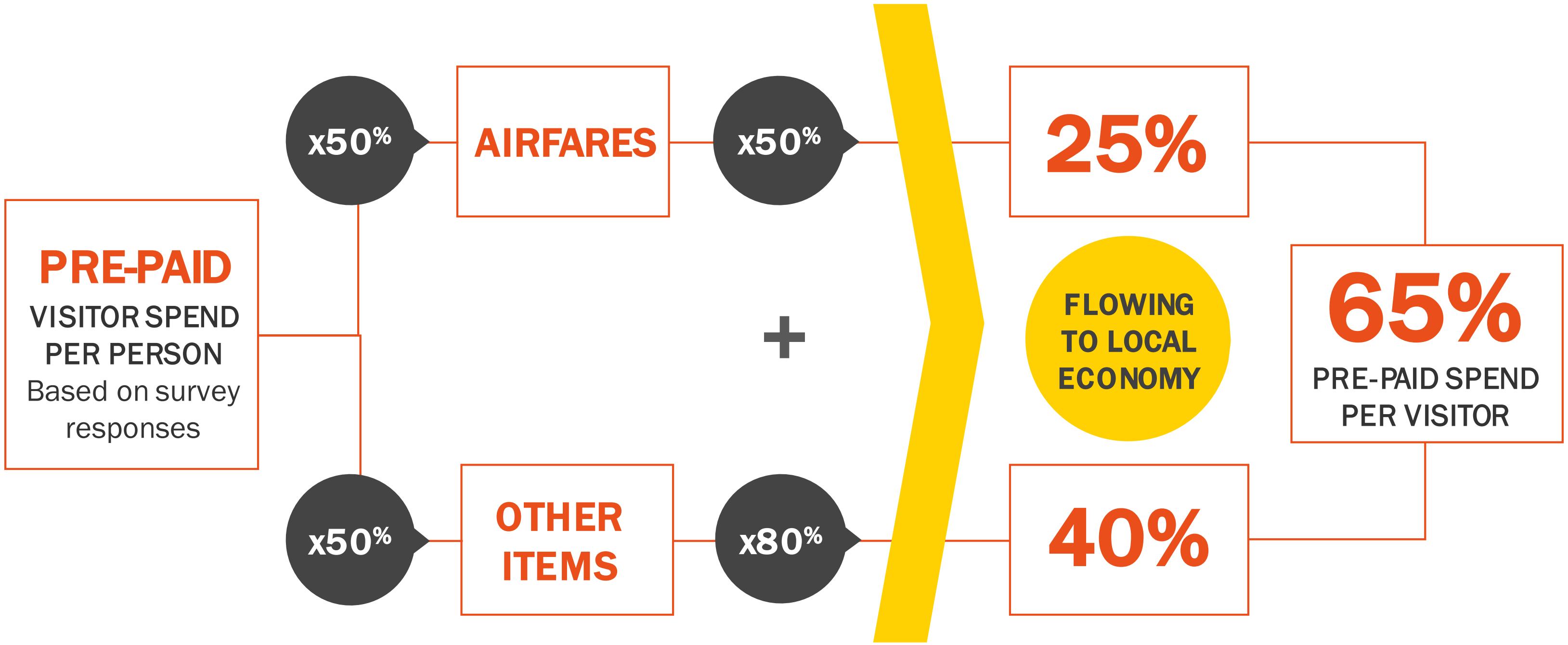
RESPONSE RATE TO SURVEY



A higher number responses were received in 2019, linked to the higher number of emails sent. This is due to an increase in the number of emails being collected at the airport in PNG. The conversion rate remained relatively stable and similar to 2018.

Note: The response rate is based on the number of survey responses in Qualtrics (before data cleaning)

PRIOR TO ARRIVAL EXPENDITURE



COOK ISLANDS

40%
FLOWING TO LOCAL ECONOMY

VANUATU

62.5%
FLOWING TO LOCAL ECONOMY

BREAKDOWN OF PREPAID SPEND

50%

40%

5%

5%