



PNG TOURISM PROMOTION AUTHORITY

MID YEAR (JANUARY TO JUNE) – 2019

VISITOR ARRIVALS REPORT

Prepared by:

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INTRODUCTION

This is the mid-year (January to June, 2019) visitor arrivals report. The report presents tabular and graphical analysis of major markets generating arrivals to Papua New Guinea in the first six months of this year, and all percentage changes are calculated in comparison to the same period in 2018.

SUMMARY

The first six months of 2019 came with challenges as PNGTPA in partnership with the tourism industry continue to be in the forefront to market and promote the destination. The downgrading of flights to maintain Airport Runways at Tokua and Kagamuga Airports, Air Niugini flight schedule disruptions, reduction of Japan flight to one flight weekly and the closing down of the direct flight to Shanghai were some of the major challenges faced by the tourism industry in Papua New Guinea. The land owner issue along the Kokoda Track early in the year and reporting of crimes in some parts of the country were also seen as some challenges for the tourism industry.

Despite the challenges, the total number of short-term international visitor arrivals to Papua New Guinea in the first six months was positive. In the first six months, PNG recorded **88,185** arrivals, an increase of **5%** or 4,572 additional visitors compared to **83,613** arrivals recorded in the same period last year. The increase was a result of PNG Tourism Promotion Authority working closely with the industry partners to develop new tourism products and promote the destination and its unique tourism products in the overseas markets.

This healthy trend is expected to continue in the second half of the year as a result of the upcoming cultural festivals and the growing number of adventure tourism activities in the country, where the PNG Tourism Promotion Authority is in the forefront to support and promote these unique tourism products at both the domestic and international markets and increase the number of tourist arrivals to the country.

Year-to-Date (January – June) Visitor Arrivals by Country and Purpose of Visit:

YTD Visitors Arrival Analysis											January - June 2019			
Country	Busins	MICE	VFR	Holiday	Cruise	Emplymnt	Education	Sports	Other	2019	2018	Change	% +/-	
Australia	12208	477	2738	5184	6651	9929	260	279	788	38514	38915	-401	-1	
New Zealand	1595	70	141	306	248	1203	22	19	116	3720	3535	185	5	
Oceania	799	185	297	330	62	1151	212	33	222	3291	3238	53	2	
China	1727	89	191	480	23	4032	35	3	109	6689	6254	435	7	
Japan	485	36	47	609	211	135	6	0	55	1584	1619	-35	-2	
Korea	307	14	19	101	4	115	13	1	30	604	505	99	20	
Malaysia	1405	31	98	235	17	1684	15	0	96	3581	3137	444	14	
Singapore	410	16	17	113	3	144	1	3	17	724	706	18	3	
Philippines	901	90	377	487	1440	6183	59	0	458	9995	9108	887	10	
Indonesia	315	31	49	109	189	826	8	0	59	1586	1884	-298	-16	
India	584	42	107	165	643	1329	31	1	187	3089	2377	712	30	
Other Asia	536	53	57	258	18	514	16	0	75	1527	1393	134	10	
United Kingdom	689	42	67	339	325	542	12	19	51	2086	1965	121	6	
Germany	160	7	31	351	316	122	5	0	35	1027	1004	23	2	
France	168	7	6	100	12	85	2	0	22	402	366	36	10	
Netherlands	88	2	11	51	35	65	4	0	11	267	239	28	12	
Other Europe	407	31	54	431	848	345	10	0	67	2193	1491	702	47	
USA	989	61	208	762	910	650	66	21	424	4091	3168	923	29	
Canada	236	11	25	114	253	256	2	0	72	969	717	252	35	
Other America	89	4	13	33	31	116	5	0	28	319	325	-6	-2	
Africa	376	23	28	57	40	422	13	0	53	1012	811	201	25	
Russia	71	1	2	33	5	99	4	0	8	223	208	15	7	
Italy	60	7	9	35	98	32	1	0	15	257	273	-16	-6	
Scandinavia	79	7	5	79	18	48	2	3	14	255	221	34	15	
Chile	6	1	1	10	7	5	0	0	6	36	54	-18	-33	
Israel	55	4	4	35	0	39	1	0	6	144	100	44	44	
Total	24745	1342	4602	10807	12407	30071	805	382	3024	88185	83613	4572	5	

Out of the total arrivals, 28% came for *business*, 26% were on holiday including tourists that came on cruise ships, 5% came to visit friends and relatives, 34% came for employment, 2% MICE and remaining 4% visited the country for other reasons. Growth was seen from VFR (+3%), Holiday (+4%), Cruise (+4%) and Employment (+34%), while visitors coming for *Business* and *MICE* dropped in the first half of the year. Sports tourism is another sector that is growing rapidly due to more international sports played in the country, and with the government's plan to build more international sports stadium around the country; sports tourism will be an important segment for the tourism industry.

Holiday arrivals from most of our key source markets also performed well in the first six months of 2019, except the Australian market registered negative a growth as a result of drops in cruise visitors and cancellation of flights. However, arrivals from this market is expected to improve in the second half of the year as more luxurious cruise ships and cultural festivals are scheduled in the remaining months of this year.

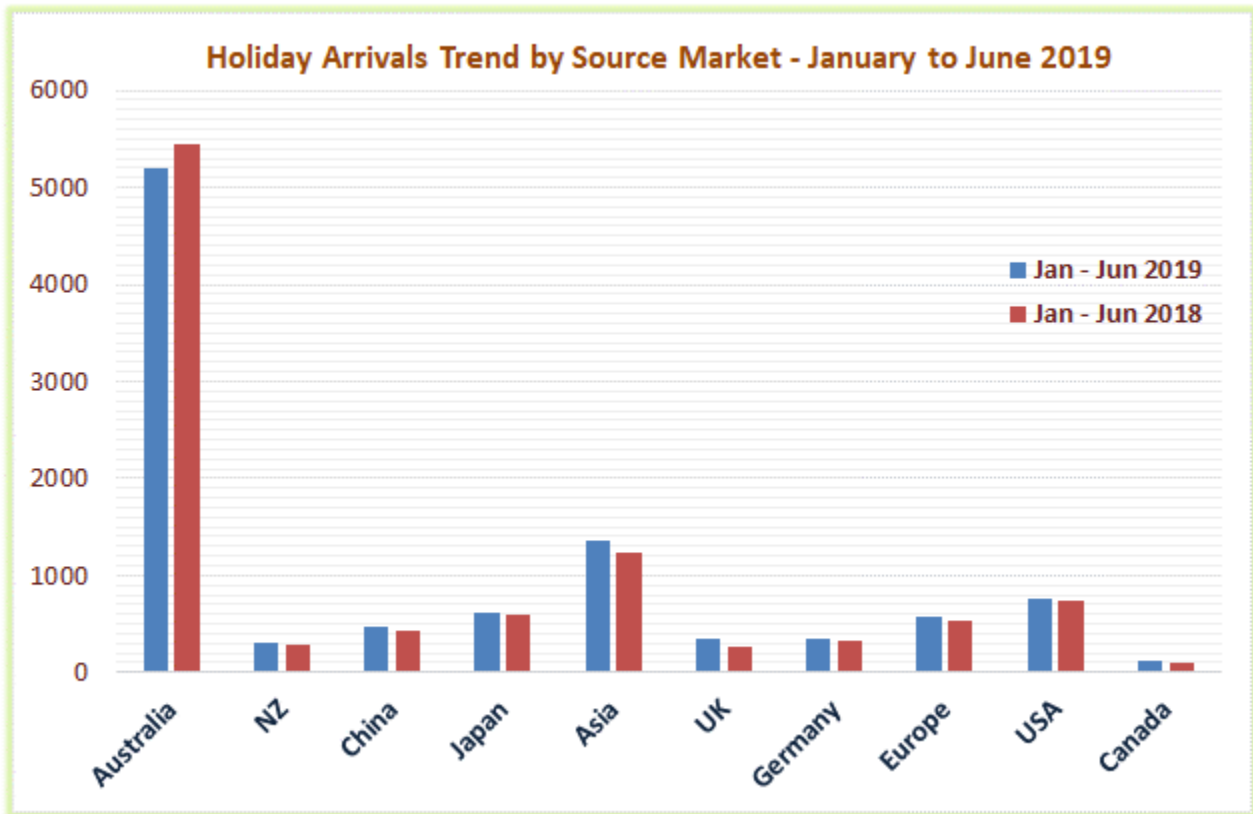
VISITOR SOURCE MARKETS:

The table & graph below depicts performance of markets in the first six months compared to the holiday arrivals by air in the same period last year. They clearly show the holiday arrival trend by market from January to June 2019 compared to January to June 2018.

Year-to-Date (Jan - June) Holiday Arrivals by Air - 2019				
Country	Jan-Jun (2019)	Jan-Jun (2018)	Change	% (-/+)
Australia	5194	5455	-261	-4.8
New Zealand	306	281	25	8.9
Oceania	330	320	10	3.1
China	480	439	41	9.3
Japan	609	603	6	1.0
Korea	101	97	4	4.1
Malaysia	235	206	29	14.1
Singapore	113	89	24	27.0
Philippines	487	377	110	29.2
Indonesia	109	101	8	7.9
India	165	143	22	15.4
Other Asia	258	218	40	18.3
United Kingdom	339	274	65	23.7
Germany	351	330	21	6.4
France	100	105	-5	-4.8
Netherlands	51	40	11	27.5
Other Europe	431	378	53	14.0
USA	762	730	32	4.4
Canada	114	104	10	9.6
Other America	33	40	-7	-17.5
Africa	57	52	5	9.6
Russia	33	27	6	22.2
Italy	35	36	-1	-2.8
Scandinavia	79	63	16	25.4
Chile	10	7	3	42.9
Israel	35	28	7	25.0
Total	10,817	10,543	274	2.6

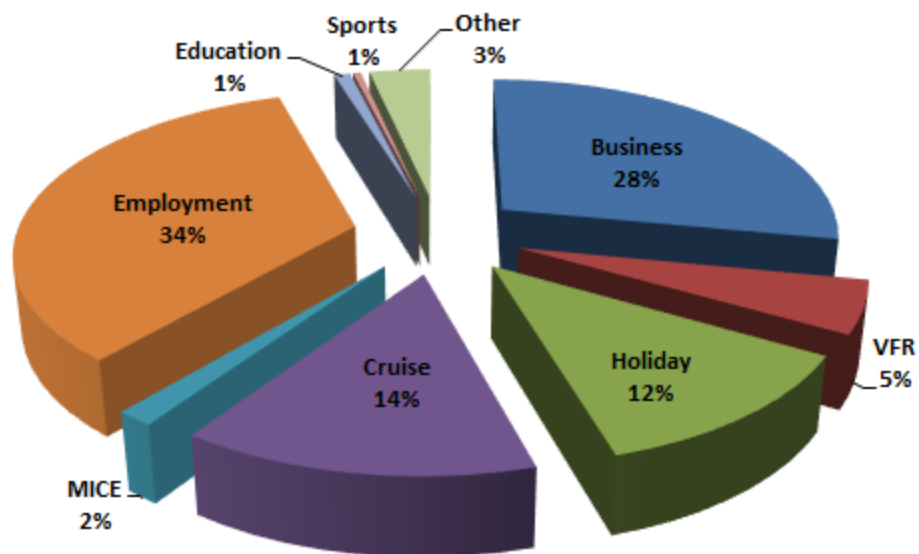
Cruise Arrivals by Market:

Though cruise figures have been separated from air arrivals, cruise arrivals data for May and June 2019 has not been included in the analysis and will be updated later when the data becomes available. From January to April this year, PNG received 10 luxurious cruise ships carrying over 12,000 tourists visiting tourism product sites in the remote coastal areas, especially in the Milne Bay and East New Britain Provinces and spending money in the local economy.



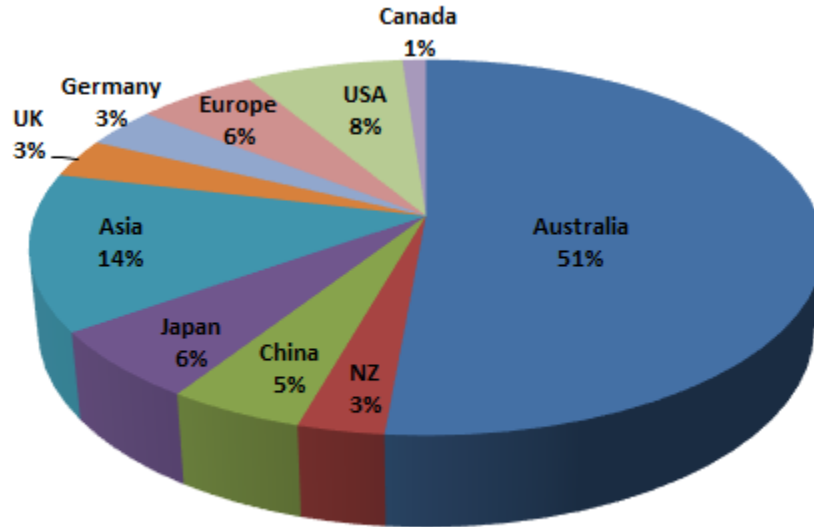
Holiday arrivals by air from USA, Canada, Japan, China, UK, Germany and other European markets performed well in the first six months of 2019, while holiday arrivals from Australia, France and other American Markets dropped in the first six months compared to the same period last year.

Visitor Arrivals Share by Purpose – January to June 2019



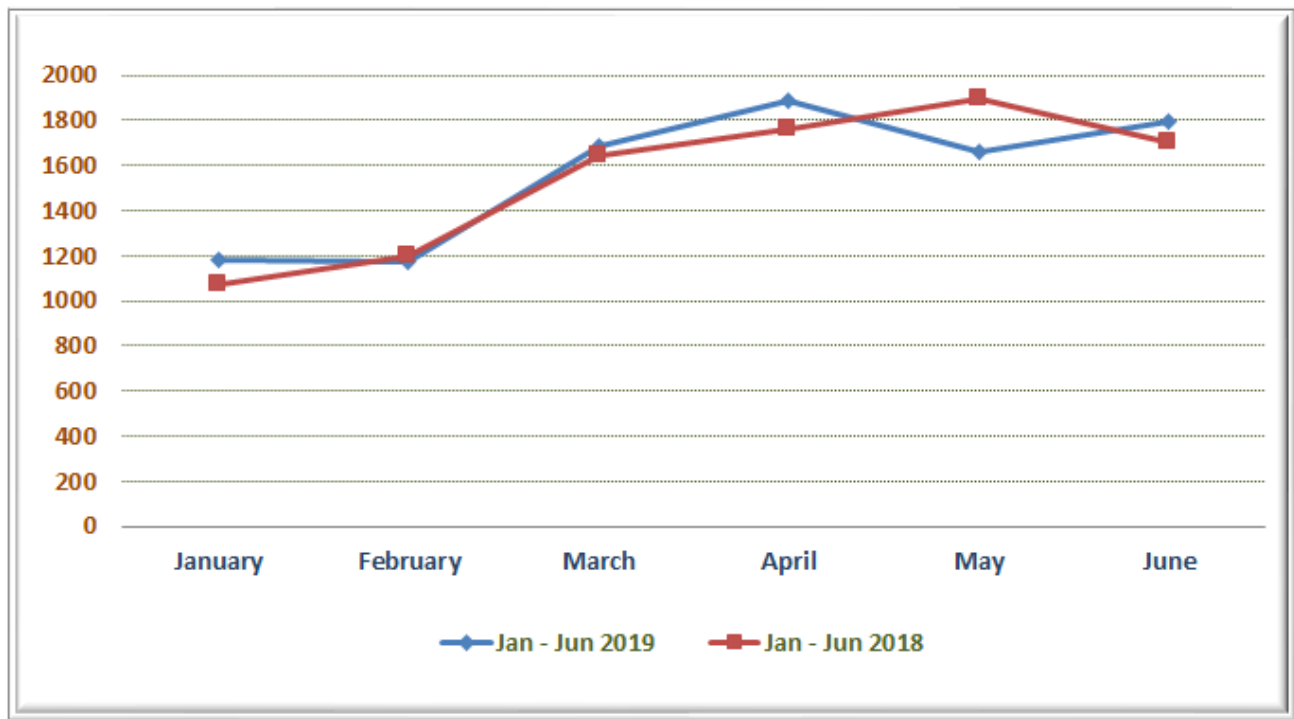
In the first six months majority of the visitors from UK, Germany and Japan came to PNG for holiday. More than half of the visitors from other European countries also came as bone-fide tourists and half of the visitors from the Americas were holiday visitors. Australia, New Zealand, and the Asian market were dominated by Business visitors. The graph below and following tables further explain performance of the major segments from each source market.

Holiday Arrivals Share by Market – January to June 2019



Australia continues to remain the major source market for Papua New Guinea, representing over 50% of the total holiday arrivals in the first six months of 2019. The Asian market collectively contributed 14 percent while the US market represents 8%, China 5%. Japan market alone contributed 6% of the total holiday arrivals in the first six months, followed by the UK, Germany, NZ markets with 3% share each. Arrivals from collective European market were 6% while Canada contributed 1% of the arrivals.

Monthly Holiday Arrival Trend – January to June 2019:



As seen from the trend above, the months of March and April were peak holiday season for tourists to come to PNG, while there was a decrease in May and slowly picked up again in June. The drop in May could be linked to the political uncertainties created in the country by the looming vote of no confidence and tourists feeling unsafe to travel. However, the VONC is over and tourists are beginning to travel and expect to see healthy growth throughout the year.

PORT of Entry and MODE of Transport – January to June 2019

In addition to recording arrivals to the country on a monthly basis, TPA also has data on arrivals for over 10 ports of entry and three different mode of transport by all world regions and 23 countries. We have not received any data from Wutung, the border post in Vanimo where visitation by land is made. Almost all (86%) of the arrivals were through Air and majority (95%) of them were through Jacksons. A good 14 percent travelled by sea (cruise ships).

Jacksons Airport remains the top port of entry for all international visitors travelling by air and total arrivals through Jacksons was lower than expected as a result of drop in MICE and Business visits in the first six months of 2019. A total of 64,479 arrivals were recorded at the Jacksons International Airport in the first six months of 2019.

KEY SOURCE MARKET PERFORMANCE:

Australia:

Australia, the country that contributes the largest portion of arrivals to Papua New Guinea has seen a slight decrease in arrivals from January to June this year. It had seen this downward trend with over 38 thousand visitors in the first six months. The slight decrease is expected to do better and post a positive growth at the end of the year as PNG TPA recently appointed the new Destination Marketing Representative (DMR) in the Australian Market to promote and carry out more marketing activities in the market. Arrivals from this market decreased in the first five months and slowly improved in June this year. Because of the large volume of arrivals that we receive from this market, a growth or decrease has an influence in the overall performance.

Holiday arrivals by air from this market also decreased in the first half of the year compared to the same period last year, while arrivals by cruise ship from the market slightly increased in the first six months of the year with Employment and Business visitors from this market also saw an increase. The Australian economy is doing well and more visitors are expected to visit PNG throughout the year. Trekking season has already started in May this year and more Australians are expected to trek the Kokoda trail. Australia is an important market for Papua New Guinea and expect to record an increase in the second half of the year.

Asia:

Travels from the Asian market collectively totaled 27,795 for the first six months reflecting an increase of almost 3 percent over the first six months of last year. The market is dominated by business travelers including those that come for short term employment and as a result most of the travels were made by air. The holiday segment also increased by 16 percent in the first six months compared to last year, whilst the growth in business & employment in this market is obviously because of the large influx of short-term employment visitors, holiday arrivals from China and other smaller Asian markets performed well.

America:

Total arrivals from the collective North American market increased by 7% in the first six months compared to last year. This increase in arrivals mostly occurred during the first 5 months of the year. TPA LA office is continuing to carry out coordinated marketing activities in the market and we expect to see more arrivals from this market in the future. Other reasons for the increase could be that experienced travelers from this market have the confidence and money to travel to long haul destinations for vacation.

On the other hand, holiday arrivals from USA totaled 762 in the first six months recording 4.4 percent increase, while Canadian holiday arrivals to PNG also increased by 9 percent in the first six months of this year.

New Zealand:

The New Zealand market trend is usually similar to that of its neighbor Australia and total air arrivals from this market increased by 9 percent this period compared to last year, while the business and MICE segments decreased by 2 percent and 5 percent respectively.

This market does extensive promotion of its tourism products domestically and most of them take vacation or leisure trips within their own country and to other closer Pacific Island Destinations, which could be a barrier for PNG to tap into the market.

United Kingdom:

U.K. accounted for 27 percent of all arrivals from the European market in the first six months. Holiday arrivals (by air) from the UK market increased in the eight months period. This positive growth is a result of an increase in the UK outbound tourism market due to the stronger pound increasing consumer spending in 2019. We expect a positive growth from this market as the UK pound is expected to strengthen in the long-term and people continue to gain confidence to travel overseas. On the other hand, business visitors from the UK this period declined compared to 2018. This is a long-haul market and all possibilities should be addressed to encourage larger number of visitors/tourists to the country.

Japan:

Japanese visitors totaled 1,584 in the first six months and declined by 2% compared to the same period in 2018. Apart from USA and UK and Germany, this is the next market that performed exceptionally well in terms of the number of bone-fide tourists that visited PNG. The increase in Japanese holiday visitors was mainly composed of a good number of holiday travelers which accounted for 38 percent of the total arrivals from this market.

The trend in holiday arrival from this market has been fluctuating in the last 8 years since the tsunami. It has now gradually come out from the hurdles it faced as a result of the tsunami that hit its shores in 2011. Despite encountering minor natural disasters, its economy is healthy and citizens are more confident in traveling places.

Holiday arrivals from Japan increased by one percent compared to the same period last year. Holiday arrivals also constitutes majority of the total arrivals from Japan. The increase in holiday arrivals is attributed to more marketing activities carried out by TPA in the market.

Oceania:

In the first six months, travels from Oceania totaled 3,291, up by 2 percent. Visitors from the market are dominated mainly by employment, Business and VFR and arrivals occurred mostly in the first 5 months of the year. Holiday arrivals are beginning to increase resulting from direct flights introduced to Honiara and Fiji from Port Moresby. In the six months period, there was an increase of 3 percent on holiday arrivals from the market and a decrease of almost 4 percent on MICE arrivals.

Europe:

The collective Europe is a valuable holiday market for Papua New Guinea with long-staying visitors who like to engage in multiple activities. The Europe market comprise of United Kingdom, Germany, German Speaking Europe and other smaller contributing European countries. As PNG's fourth largest holiday market, the United Kingdom and Germany are the key focus of Papua New Guinea Tourism Promotion Authority's international marketing, trade and public relations activity, however German Speaking Europe and the smaller European markets have shown their resilience over the past, despite the global security threats in recent years, and many present good growth opportunities for the Papua New Guinea Tourism Industry. In the first six months this year, arrivals from the European markets have performed very well compared to last year.

Papua New Guinea Tourism Promotion Authority has established new offices in London and Munich to run marketing campaign under the tagline 'A *MILLION DIFFERENT JURNEYS*' and are working closely with travel sellers in this market, to ensure British & Germans keep Papua New Guinea on their wish-lists. Marketing under the new brand campaign will also be extended to other parts of Europe including France, the Netherlands and Switzerland, where growth opportunities have been identified.

CONCLUSION:

The visitor arrival numbers in the first six months from most of our key source markets have been positive. This is the result of PNGTPA in partnership with the tourism industry players putting more efforts and resources to develop new tourism products and promote the destination in the overseas markets. PNGTPA has also been supporting the major cultural festivals and developing new tourism products around the country to attract more tourists to the country.

However, reporting of crimes and negative stories in the media will continue to be a major challenge for the growth of tourism in PNG, but current trend shows that genuine tourists are travelling on package tours and on cruise ships to visit PNG. Therefore, PNGTPA should continue to work closely with the industry partners and develop new tourism products to package and have them readily available in the website or brochures for tourists to purchase.

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“For further information, contact our Research & Statistics Team”

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