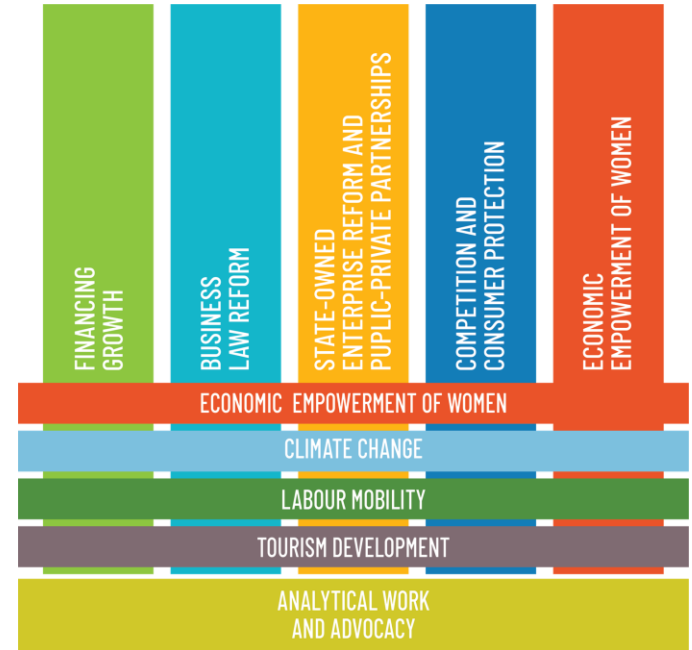


Tourism development in the Pacific: Regional perspectives and approaches

MAY 2023 – REGIONAL WORKSHOP ON TRADE IN SERVICES

Pacific Private Sector Development Initiative (PSDI)

- Established in 2006 as a regional technical assistance facility as a partnership between Australia and ADB.
- PSDI IV commenced on 1 January 2020 with co-financing from ADB, Australia, and New Zealand.
- PSDI provides technical, advisory and capacity building assistance to help improve business environments to support inclusive, private sector-led economic growth.
- PSDI is actively working to support the Pacific's recovery from the impacts of COVID-19.



PSDI'S APPROACH TO SUPPORTING PACIFIC TOURISM:

DEVELOPING A SUSTAINABLE, PRIVATE SECTOR-LED TOURISM SECTOR

EVIDENCE-BASED TOURISM PLANNING



Improving Pacific tourism data collection and analysis to support government policy and **enhance sustainability and inclusivity.**

CRISIS MANAGEMENT



Improving policy and planning for the post-COVID-19 era to **foster a stronger and more resilient sector**, capable of absorbing crises and shocks.

FINANCING SUSTAINABLE TOURISM



Increasing access to finance for tourism businesses, and seeking to **strengthen bonds between tourism projects, lenders and investors, and green/blue financing instruments.**

ENABLING PRIVATE SECTOR-LED TOURISM



Driving innovation and growth in the Pacific tourism sector.

The **economic empowerment of women** is mainstreamed throughout all of PSDI's tourism program activities.

OVERCOMING THE IMPACTS OF COVID-19

ASSESSING THE IMPACTS OF COVID-19



COVID-19 has been devastating for many of the Asian Development Bank's (ADB) **14 Pacific developing member countries**, particularly the most tourism-dependent.



REGIONAL APPROACH TO RECOVERY



Post-COVID-19, Pacific countries could benefit from a **regional, collaborative approach to tourism** which prizes **cooperation and resource sharing** over competition for arrivals.



SECTOR SUSTAINABILITY



PSDI also believes the tourism sector post-COVID-19 can **lead Pacific sustainability initiatives**, including on energy, water, and climate proofing, to **better cater for travelers while mitigating tourism's environmental effects.**



PUBLICATIONS ...



PSDI has published two reports exploring the impact of COVID-19 on Pacific tourism, and looking ahead to the resumption of travel: **LOOKING FORWARD VOL. 1: EVALUATING THE CHALLENGES FOR PACIFIC TOURISM AFTER COVID-19 (2021)**

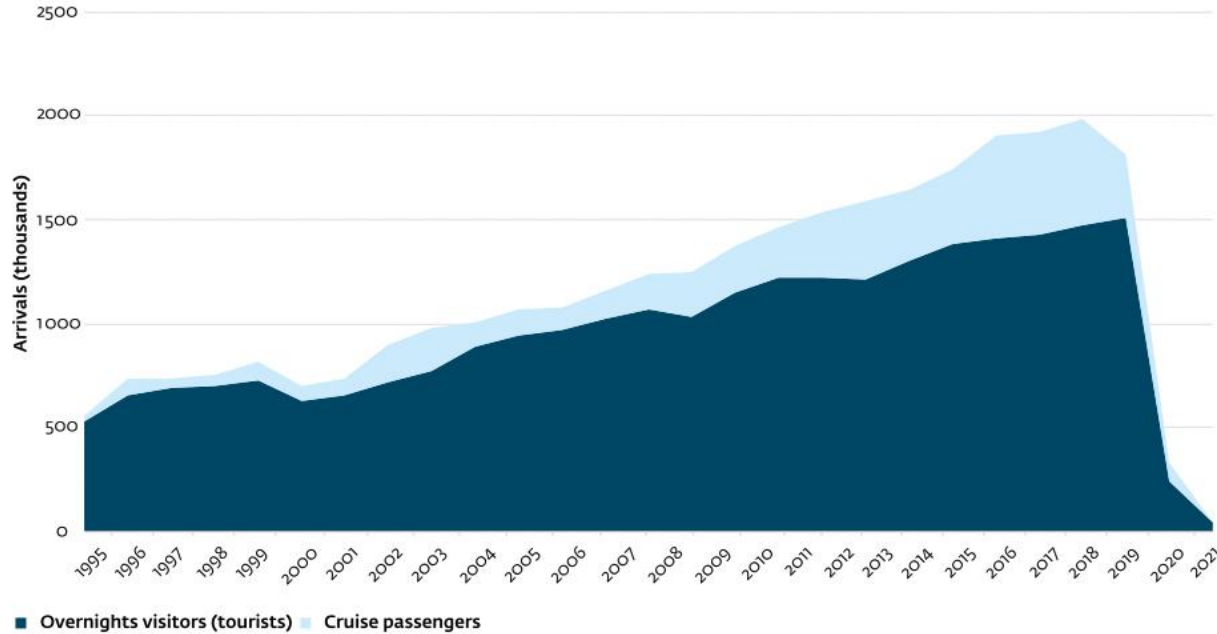
REOPENING BORDERS TO TOURISM IN PACIFIC ISLAND COUNTRIES: KEY LESSONS AND GUIDANCE (2022)

PSDI in 2021 also published tourism sector snapshots for each of the ADB's 14 Pacific developing member countries.



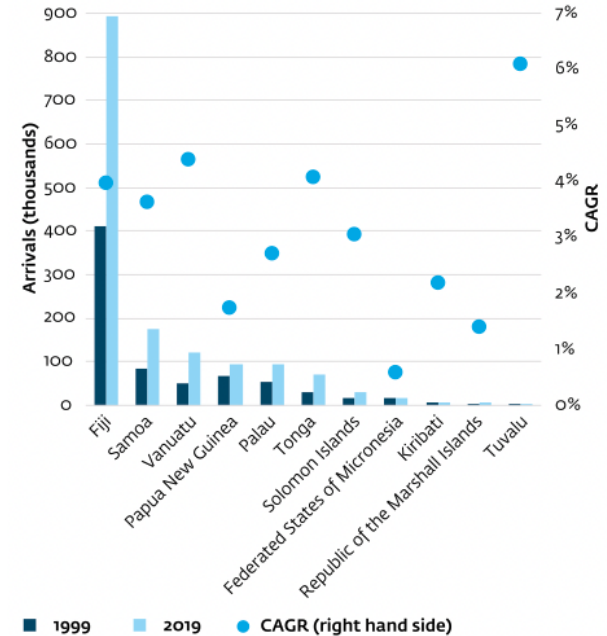
World Bank. 2023. The Future of Pacific Tourism report

Figure 1. Regional Growth in All Visitor Arrivals in Pacific Island Countries, 1995-2021



Source: UNWTO 2022b; FSM Statistics 2022; PVA 2021; PNG TPA 2022; Solomon Islands NSO 2022; STA 2022; Tonga Statistics Department 2022.

Figure 2. Disaggregated Growth of International Overnight Visitor Arrivals in Pacific Island Countries, 1999-2019



Source: UNWTO 2022b; FSM Statistics 2022; PNG TPA 2022; STA 2022; Tonga Statistics Department 2022.

-
- Significant economic contribution to PICs overall, but growing dependency has increased vulnerability
 - Back, but the strength of recovery is uneven
 - PICs want to increase value from tourism and can compete in several high-value segments (e.g., luxury tourism, adventure tourism, diving, cultural tourism, long-stay tourism)

Pacific Challenges & Opportunities

- Before COVID-19: Shared advantages, shared challenges
- Challenges and costs of doing business in the Pacific
- Access to finance and/or labor
- Issues of connectivity, including intraregional
- Data fails to capture benefits and costs of tourism
- Spread of the benefit and inclusivity of tourism
- COVID-19 has presented new challenges for tourism
- Raised questions of resilience and diversification



LOOKING FORWARD VOL.1

EVALUATING THE CHALLENGES FOR PACIFIC TOURISM AFTER COVID-19



PSDI | THE PACIFIC PRIVATE SECTOR DEVELOPMENT INITIATIVE

A technical assistance program undertaken in partnership with the Asian Development Bank, the Government of Australia, and the Government of New Zealand.

Pacific Challenges & Opportunities - Focus

- Available skills - workforce ready vs trained
- Cross-cutting - governance and coordination
- Enabling environment - for tourism and services to tourism

TOURISM BEE PRIORITY CONSTRAINTS - THEMATIC AREAS & SUB-AREAS

FOREIGN DIRECT INVESTMENT

INVESTMENT RESTRICTIONS

INVESTMENT PROMOTION

APPLICATION PROCESS

BUSINESS REGISTRATION

DOCUMENT DUPLICATION

APPROVAL TIME FRAMES

LAND TENURE & OWNERSHIP

ALIENATED LAND

LAND REGISTRIES

SOCIAL LICENSE TO OPERATE

LEASE / RENTAL TERMS

ACCESS TO FINANCE

COLLATERAL

LOAN CONDITIONS

INNOVATIVE FINANCE
REGULATORY FRAMEWORK

GREEN & BLUE MECHANISMS

CONSTRUCTION (PRE & DURING)

NUMBER OF PERMITS

DOCUMENT DUPLICATION

APPROVAL TIME FRAMES

TAXATION

TAX INCENTIVES (FDI & CRISIS)

NUMBER OF TAXES & RELEVANCE

DUTIES & LEVIES

VISA POLICY

VISA PROCEDURES &
PROCESSES

VISA POLICIES

INFRASTRUCTURE

BASIC SERVICES - CONNECTIVITY
PROCESSES

ELECTRICITY, WATER,
SANITATION

AIR ACCESS RELIABILITY & COST

OPEN SKY POLICIES

SEA / PORT ACCESS
RELIABILITY & COST

ROAD CONNECTIVITY

DATA & INSIGHTS

QUALITY & CONSISTENCY

COVERAGE & ACCESSIBILITY

DATA MANAGEMENT

LICENSES & PERMITS

NUMBER OF LICENSES OR
PERMITS

DOCUMENT DUPLICATION

APPROVAL TIME FRAMES

RENEWAL FREQUENCY

APPLICATION PROCESSES

TOURISM GOVERNANCE

TOURISM & OTHER RELATED
LEGISLATION

INTER-AGENCY COORDINATION

PUBLIC PRIVATE DIALOGUE

CRISIS MANAGEMENT

TOURISM STANDARDS

COVERAGE & RELEVANCE

GOVERNANCE

DESTINATION PROMOTION

MARKETING BUDGETS

DESTINATION POSITIONING

TOURISM ASSOCIATIONS

MEMBERSHIP REQUIREMENTS

INCLUSION

SERVICE DELIVERY

ACCREDITATION

SKILLED LABOUR

SKILL SUPPLY FOR TOURISM
BUSINESSES

SKILL SUPPLY FOR SUPPORT SERVICES & FUNCTIONS E.G., DIGITAL, STATISTICS ETC.

WORKING CONDITIONS

TALENT
RETENTION

SUSTAINABILITY

GREEN INCENTIVES

NATURAL & CULTURAL HERITAGE ASSET
PROTECTION

ESG
PROCESSES

SUSTAINABLE TOURISM
GOVERNANCE

GREEN HOUSE GAS
EMISSIONS

DIGITALIZATION

ONLINE REGISTRIES & APPLICATION PROCESSES

ACCESS TO ICT INFRASTRUCTURE

DIGITAL POLICIES

DIGITAL DIVIDE

GENDER

DISAGGREGATED
DATA

WAGE GAP

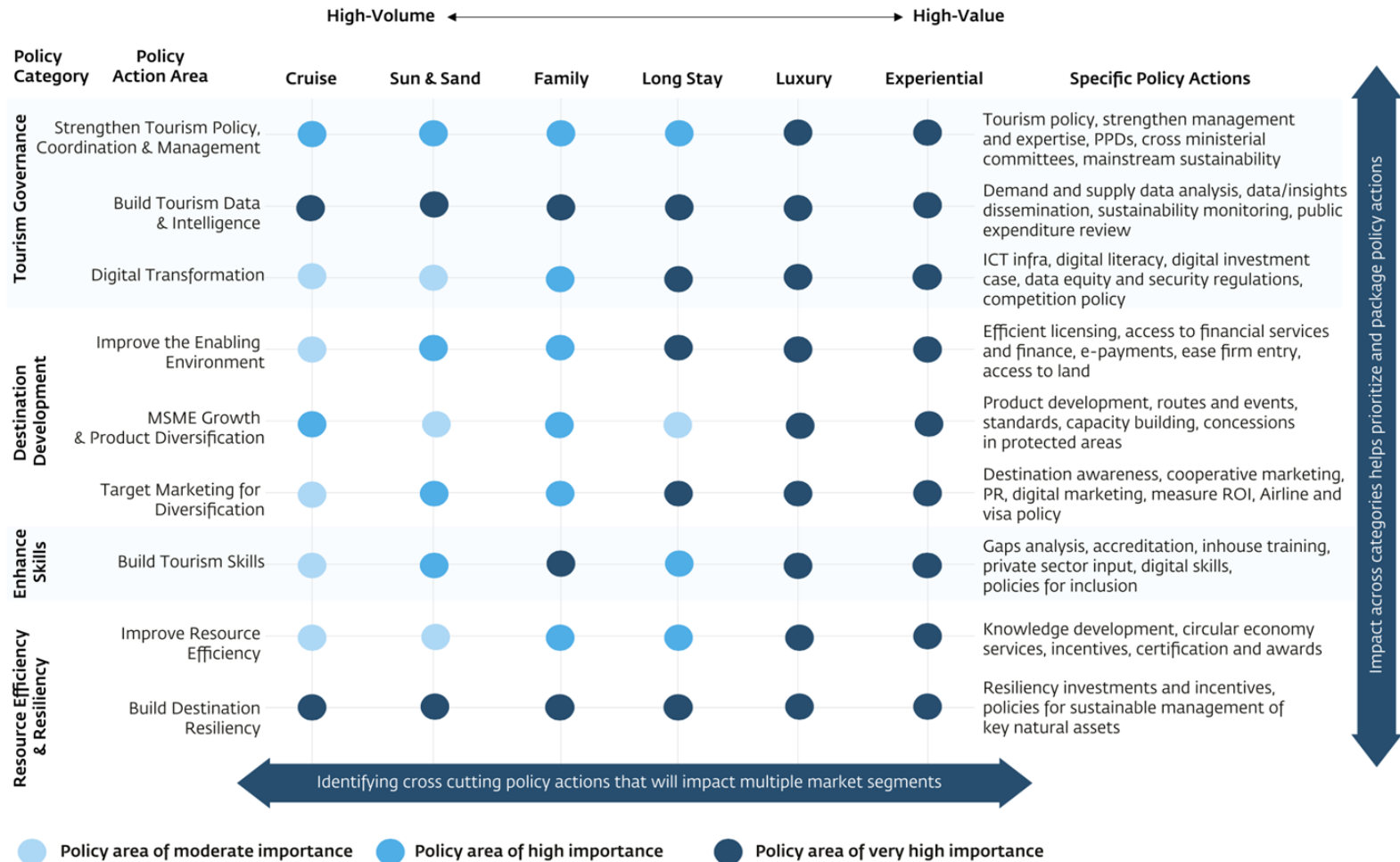
PARTICIPATION & LEADERSHIP IN ENTREPRENEURSHIP /
EMPLOYMENT

ACCESS TO FINANCE

CHILDCARE POLICIES

GENDER BASED
VIOLENCE

**World Bank.
2023. The
Future of
Pacific
Tourism
report**



Note: Dark blue indicates critical areas of policy reform to stimulate and cater to demand from specific market segments, medium blue indicates important areas, and light blue indicates moderately important areas.

What steps must be taken if we are to build back better?

1. Enabling sustainable, private sector led tourism
2. Building resilience
3. Improved data and evidence-based planning
4. Sustainability as the only way of doing business (not a campaign or a market segment)
5. A regional approach

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