



PNG TOURISM PROMOTION AUTHORITY

VISITOR ARRIVAL REPORT

1ST QUARTER

JANUARY TO MARCH - 2017

Prepared by:

**Marketing & Research Division
Papua New Guinea Tourism Promotion Authority
P. O. Box 1291
Port Moresby
Papua New Guinea**

**Phone : 320 0211
Fax : 320 0223**

**Email: info@papuanewguinea.travel
Website: www.papuanewguinea.travel**

Table of Content:

Introduction.....	3
Summary.....	3
Purpose of Arrivals.....	4
Visitor Source Markets.....	4
- Australia.....	5
- Asia & America.....	6
- New Zealand & United Kingdom.....	6
- Oceania & Japan.....	7
- Germany & Other Europe.....	7
Port of Entry & Mode of Travel.....	7
Additional Tables.....	8

INTRODUCTION

The tabular and graphical analysis below is a summary of the major markets generating arrivals to Papua New Guinea in the first quarter (Jan, Feb, March) of 2017 and all percentage changes are calculated in comparison to 2016 first quarter. We have also separated 'Cruise' and 'Sports' arrivals data from 'Holiday' and 'MICE' respectively to clearly monitor the trend and assist our industry partners and key stakeholders make comparison.

Apart from Port Moresby - Jacksons, other arrival data from outer ports including cruise and sports data were considered in the analysis. A comprehensive data is required in the analysis to better understand the arrival performance in the quarter and thus all data are considered. We at the PNG TPA try our best to collect all data on time and provide monthly reports from them. This is the culmination of the reports for the last three months and it in a way summarizes the arrival performances of our markets in the first quarter.

SUMMARY

Papua New Guinea received over 45 thousand international visitors in the first quarter of 2017, resulting in an **8** percent increase with respect to the first quarter of 2016. Arrivals trend in this quarter was better than last year's 1st quarter which increased by 3 percent (compared to 2015).

For this quarter, January and February had a growth of 16% and 0.7% respectively, while March had a negative growth. The unfavorable performance in March can be attributed to certain factors. Prevalence of natural disasters and crime related issues both domestically and in our markets that have prompted this slow pace. Terrorism threats in parts of the world and some countries facing financial dilemmas are also reasons to the slow growth in March.

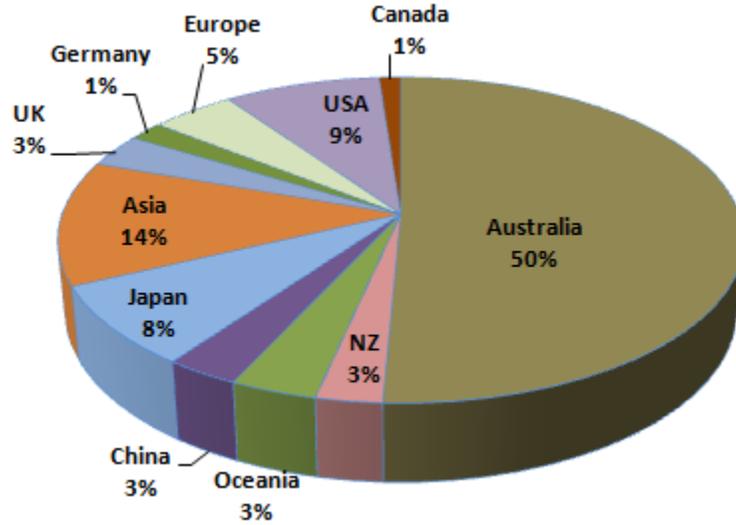
In the first quarter, marked improvements were seen in VFR (Visiting Friends & Relatives), MICE and holiday arrivals, while the Cruise category declined by 23% in the 1st quarter, 2017. This somewhat gloom picture for the cruise sector is for the available data only, and expected to increase when data is updated and cruise ships expected for remaining months of the year. Some markets have done exceptionally well in terms of bona-fide tourists arrival. Countries like Japan, Germany, and the US had more holiday visitors when compared to their share of total visitors.

Summary of Arrivals by Purpose – 1st Qtr 2017/16

Purpose	2017	2016	Change	% -/+
Business	13,768	13,143	625	5
Holiday	5,095	4,612	483	10
Cruise	3,625	4,706	-1,081	-23
VFR	2,512	2,132	380	18
MICE	650	380	270	71
Employment	17,034	15,148	1,886	12
Education	527	571	-44	-8
Sports	68	58	10	17
Other	1,782	1,107	675	61
Total	45,061	41,857	3,204	8

Australia continues to remain the major source market for Papua New Guinea, representing 50% of the total holiday arrivals in the first quarter. The Asian market collectively contributed 14 percent while the US market contributed 9%. Japan market alone contributed 8% of the total holiday arrivals in the first quarter, followed by the UK, NZ, Oceania & Chinese markets with 3% share each. Arrivals from collective European market were 5% while Germany and Canada were 1% each. The remaining 8% was from the Oceania market.

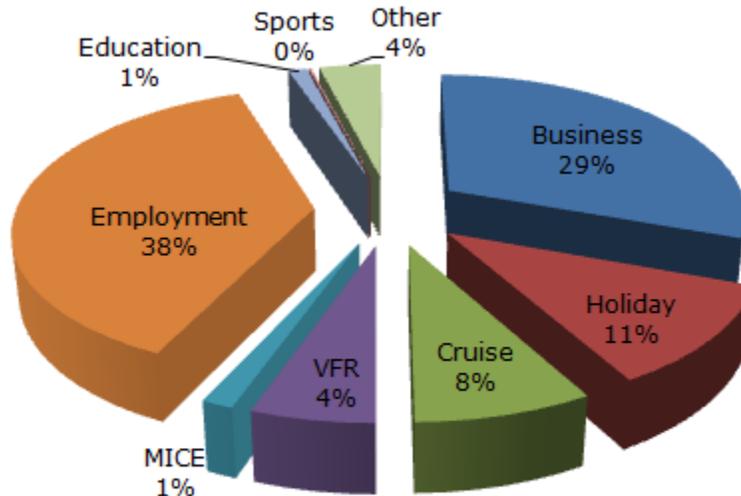
Holiday Arrival Distribution by Source Market – 1st Qtr 2017



PURPOSE of ARRIVALS

In the first quarter 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.

Arrivals Distribution by Purpose of Visit – 1st Qtr 2017

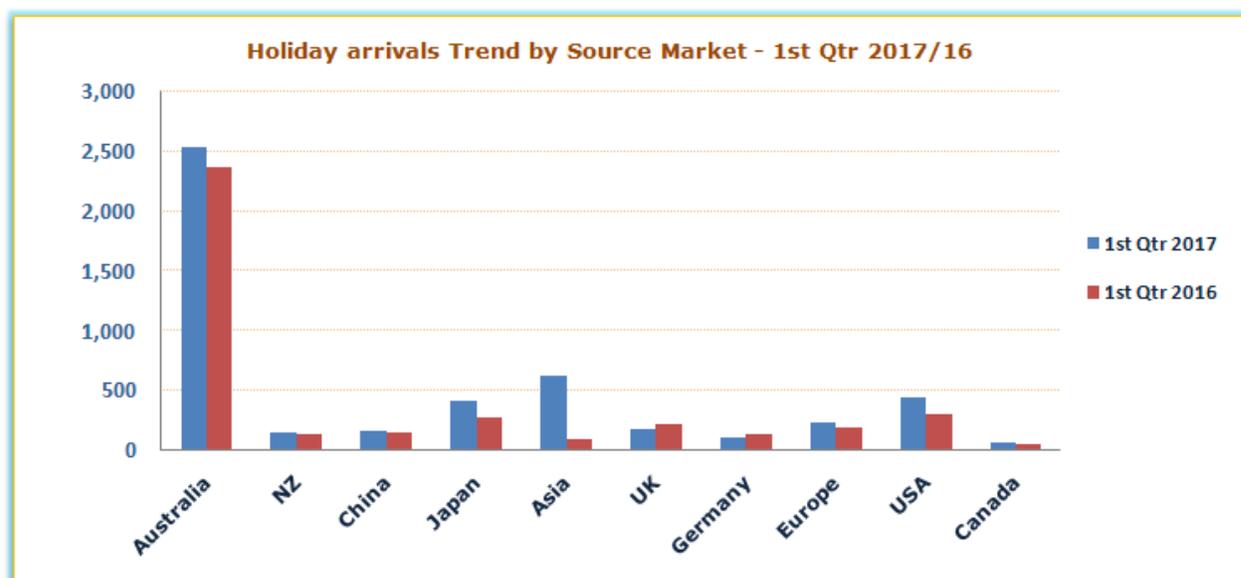


VISITOR SOURCE MARKETS:

The table & graph below depicts performance of markets for this quarter compared to the same period last year. They clearly show the holiday arrival trend by market in the first quarter 2017 compared to first quarter 2016.

Holiday Arrivals by Source Market – 1st Qtr 2017/16

Source Market	1st Qtr 2017	1st Qtr 2016	Change	% +/-
Australia	2,526	2,148	378	17%
New Zealand	135	123	12	10%
China	151	145	6	4%
Japan	399	235	164	69%
Asia	618	606	12	2%
UK	163	212	-49	-24%
Germany	96	125	-29	-22%
Other Europe	230	187	43	23%
USA	428	291	137	47%
Canada	59	40	19	48%



The following presents further interpretations of the key source market performance.

Australia:

Australia, the country that contributes the largest portion of arrivals to Papua New Guinea has seen an upward trend this period. It had a positive growth with over 18 thousand visitors in the quarter. This was an improvement from last year and expected to continue throughout the year as more marketing activities have been carried out in the market. Arrivals from this market increased in January and February by 30% and 16% respectively and dropped slightly in March. 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 increased (17%) in the first quarter compared to the same period last year, while arrivals by cruise ship from the market dropped in the quarter.

Business visitors from this market also saw an increase (6%). The Australian economy is doing well and more visitors are expected to visit PNG throughout the year. Trekking season has started this month (May) and more Australians are expected to trek the Kokoda trail to mark the 75th Anniversary. Australia plays a considerable role in the tourism market for Papua New Guinea and a double digit increase in this quarter is good for our tourism industry.

Asia:

Travels from the Asian market collectively totaled 12,065 for the quarter reflecting an increase of almost 13 percent over the 1st quarter of last year. The market is dominated by business travelers including those that came for short term employment and as a result most of the travels were made by air. The business and holiday segments increased by 8 and 55 percent respectively in the first quarter compared to the same period last year. The growth in business & employment is obviously because of the large influx of short term employment visitors.

America:

Arrivals from the collective America, which PNG usually see a positive quarter in the previous years, has maintained its consistency this period and registered a positive quarter this year with a 33 percent increase. The increase in arrival mostly occurred during the month of January where it saw a massive increase by 50%. The trend for this market can be explained by the well coordinated marketing activities carried out in the market by TPA in partnership with the industry players. Other reasons could be that experienced travelers from this market have the confidence and money to travel to new places for vacation.

Holiday arrivals from USA totaled 248 in the quarter recording 47 percent increase, while Canadian holiday arrivals to PNG also increased by 48 percent in the first quarter.

New Zealand:

The New Zealand market trend was similar to its neighbor Australia. Arrivals from the market increased by 15 percent this period compared to last year. The holiday sector also increased by 10 percent, while the business category recorded a decrease compared to the first quarter last year.

The same reasons attributed to fall or increase in numbers from the Australian market can be said for this market except for natural calamities. This market does extensive promotion of its tourism products domestically and most of them take vacation or leisure trips within their own country, which can be a barrier for PNG to tap into the market.

United Kingdom:

U.K. accounted for 40 percent of all arrivals from the European market in the first quarter. The country which supplied a total of 2868 in the 1st quarter in 2016 had seen a drop in the first quarter this year (2017) with 1059 visitors.

Holiday arrivals (by air) and cruise ship from the UK market also dropped in the first quarter. This negative growth is a result of a drop in the UK outbound tourism market due to the weaker pound reducing consumer spending in 2017. We expect a short-term minus growth from this market and should pick up in the long term when the UK pound strengthens and people regain confidence to travel overseas. Business visitors from the UK this period also declined in the first quarter compared to 2016 first quarter. This is a long haul market and all possibilities should be addressed to encourage larger number of visitors to the country.

Japan:

Japanese visitors totaled 984 in the first quarter and reached 55 percent increase compared to 2016 1st Quarter figure of 635. Apart from Australia, NZ and USA, this is the next market that performed exceptionally well in terms of the number of bone-fide tourists that visited PNG in the period. The increase in Japanese 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 in the first quarter has always been healthy and this quarter is no exception. It has 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 almost 70 percent compared to the same period last year. Holiday arrivals also constitutes majority of the total arrivals from Japan. The increase in holiday arrival is attributed to more marketing activities and direct PX flights to the market.

Oceania:

In the first quarter, travels from Oceania totaled 1,869, up by 12 percent. Visitors from the market are dominated mainly by employment (30%) and arrivals occurred mostly in January and February. Holiday arrivals are beginning to increase resulting from direct flights introduced to Honiara and Fiji from Port Moresby. In the quarter, there was an increase of 5 percent on holiday arrivals from the market and a decrease of almost 3 percent on business arrivals.

Other 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 the United Kingdom, Germany, France, Netherlands and other smaller contributing European countries. As PNG's fourth largest holiday markets, the United Kingdom and Germany are the key focus of Papua New Guinea Tourism Promotion Authority's international marketing, trade and public relations activity, and the smaller European markets have shown their resilience over the past, despite the global economic downturn in recent years, and many present good growth opportunities for the Papua New Guinea Tourism Industry. In the first quarter this year, arrivals from the European markets have performed poorly compared to the first quarter last year.

Papua New Guinea Tourism Promotion Authority has established new offices in London and Munich to run new marketing campaign under the tagline 'A MILLION DIFFERENT JOURNEYS' 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.

PORT of Entry and MODE of Transport - First Quarter 2017

Performance by Ports:

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 (92%) of the arrivals were through Air and majority (90%) of them were through Jacksons. A good 8 percent travelled by sea (cruise ships).

Jacksons Airport remains the top port of entry for international visitors (by air) and arrivals increased by 4 percent. A total of 33,958 arrivals were recorded at the international airport for the 1st quarter this year.

Alotau has seen a large number of genuine tourists via the visits of cruise vessel this period. Mt. Hagen airport also reported an increase in the number of arrivals by 31 percent with 990 arrivals compared to 757 in 2016.

Arrivals Analysis by Purpose & Port of Entry-1st Qtr 2017										
Port	Business	MICE	Holiday	VFR	Crusie	Employment	Education	Sports	Other	Total
Tabubil	0	0	0	0	0	0	0	0	0	0
Alotau	0	0	0	0	2,268	0	0	0	0	2,268
Port Moresby	11,520	573	3,763	1,958	1,357	14,153	468	68	1,455	35,315
Mt.Hagen	172	1	0	1	0	814	0	0	2	990
Lae	0	0	0	0	0	0	0	0	0	0
Madang	0	0	0	0	0	0	0	0	0	0
Vanimo	0	0	0	0	0	0	0	0	0	0
Rabaul	0	0	0	0	0	0	0	0	0	0
Kavieng	0	0	0	0	0	0	0	0	0	0
Kimbe	0	0	0	0	0	0	0	0	0	0
Kieta	0	0	0	0	0	0	0	0	0	0

ADDITIONAL TABLES

Below is the detailed breakup of the arrival summary table for the 1st Quarter, 2017.

Visitors Arrival Analysis										1st Qtr - 2017			
Country	Busins	MICE	VFR	Holiday	Cruise	Emplynt	Sports	Educatn	Other	1st Qtr 17	1st Qtr 16	Change	% +/-
Australia	7420	291	1459	2526	2662	6844	40	90	550	21882	18770	3112	17
New Zealand	861	25	101	135	168	771	2	5	76	2144	2142	2	0
Oceania	440	73	174	176	3	575	21	291	116	1869	1664	205	12
China	790	26	128	151	2	1735	0	16	67	2915	2640	275	10
Japan	407	18	15	399	1	106	0	3	35	984	635	349	55
Korea	186	4	8	36	0	65	0	0	14	313	279	34	12
Malaysia	492	9	66	108	0	893	0	10	59	1637	1494	143	10
Singapore	260	4	5	44	0	44	0	3	26	386	349	37	11
Philippines	464	34	184	231	5	3121	0	38	172	4249	3700	549	15
Indonesia	173	9	33	56	1	497	0	4	31	804	694	110	16
India	282	23	49	47	1	640	0	9	91	1142	994	148	15
Other Asia	217	25	25	96	0	214	0	7	35	619	446	173	39
United Kingdom	355	19	56	163	117	303	1	1	44	1059	2868	-1809	-63
Germany	90	5	13	96	263	85	0	5	19	576	1095	-519	-47
France	109	5	8	64	2	50	0	0	9	247	209	38	18
Netherlands	39	3	9	21	3	28	0	0	8	111	165	-54	-33
Other Europe	191	17	15	145	65	189	0	4	46	672	683	-11	-2
USA	564	34	105	428	248	402	3	20	296	2100	1574	526	33
Canada	126	6	30	59	67	143	0	7	22	460	390	70	18
Other America	44	7	4	17	3	41	1	2	12	131	223	-92	-41
Africa	119	7	14	17	1	150	0	5	27	340	351	-11	-3
Russia	32	0	2	21	0	64	0	0	7	126	109	17	16
Italy	33	5	4	18	10	18	0	4	9	101	77	24	31
Scandinavia	46	1	4	30	3	33	0	3	11	131	125	6	5
Chile	0	0	0	3	0	5	0	0	0	8	0	8	0
Israel	28	0	1	8	0	18	0	0	0	55	35	20	57
1st Qtr 17	13768	650	2512	5095	3625	17034	68	527	1782	45061	41727	3334	8
1st Qtr 16	13143	380	2132	4482	4706	15148	58	571	1107				
Change	625	270	380	613	-1081	1886	10	-44	675				
% +/-	5	71	18	14	-23	12	17	-8	61.0				

Provinces Visited in PNG & Purpose of Visit - 1st Qtr 2017

Provinces Visited in PNG	Purpose of Visit									Total
	Business	MICE	Holiday	MICE	Cruise	Emplymnt	Education	Sports	Other	
Central Prov	25	1	28	43	0	79	2	0	12	190
EHP	135	11	137	56	0	256	48	0	130	773
ENBP	205	14	169	81	0	290	17	0	30	806
Enga Prov	207	1	4	6	0	760	0	0	7	985
ESP	50	8	43	25	0	75	1	0	42	244
Gulf Prov	23	0	10	4	0	80	0	0	6	123
Hela Prov	102	2	11	1	0	251	1	0	3	371
Jiwaka Prov	4	0	3	4	0	6	2	0	7	26
Madang Prov	231	27	222	65	0	663	25	0	52	1,285
Manus Prov	339	1	25	12	0	934	6	0	8	1,325
Milne Bay Prov	84	7	143	22	2,268	87	3	0	18	2,632
Morobe Prov	936	18	185	145	0	1,096	55	0	67	2,502
NCD(POM)	7,956	460	1,994	1,307	1,357	7,846	296	68	962	22,246
NIP	668	5	298	39	0	1,040	2	0	13	2,065
NSP Buka	68	4	50	19	0	68	0	0	14	223
Oro Prov	21	0	104	8	0	55	2	0	4	194
SHP	184	2	9	8	0	385	3	0	7	598
Simbu Prov	8	1	2	4	0	19	0	0	0	34
Western Prov	183	2	21	13	0	376	0	0	16	611
WHP	127	5	147	47	0	291	5	0	40	662
WNBP	94	3	72	29	0	175	0	0	10	383
WSP	41	2	86	21	0	34	0	0	9	193