

2019

VISITOR ARRIVAL REPORT



Prepared by:

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This is the final total visitor arrivals report for PNG in 2019.

The report presents the trends and market analysis of all short-term international visitors into PNG, emphasizing more on the holiday visitors. It is reported by **source market** and **purpose of visit** to the country. The report also presents summary tables and graphical analysis of the annual and monthly trends to observe historical performance of tourism in the year compared to the previous years. Additional marketing briefs based on recent research to compliment the visitor arrivals trend from the key source markets are also included in the report.

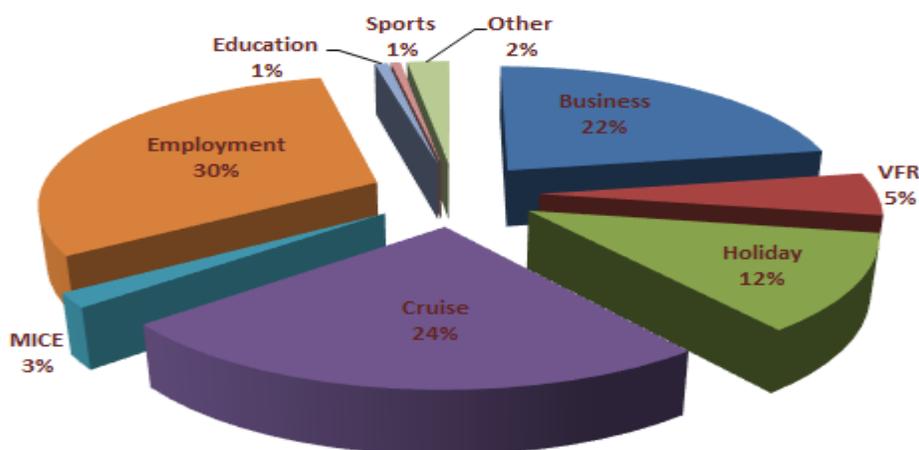
1.1 Executive Summary

PNG received over 210,000 international visitors in 2019 after seen a slow growth in 2017 and 2018. This was an increase of 8% or additional 16,000 arrivals to the country compared to 2018. Holiday arrivals to the country by air increased by 12% in 2019. VFR, Business and Employment segments also recorded growth, while MICE and others slightly dropped in 2019 compared to the previous year. The healthy growth in the holiday segment was seen as a result of promoting our unique culture and other various attraction sites around the country including the Kokoda Track that recorded an increase of 6% compared to 2018. Cruise tourists also boosted tourist arrivals to the country.

Out of the total arrivals, 22% came for business, 36% were on holiday including tourists that came on cruise ships, 5% came to visit friends and relatives, 30% came for employment, 3% MICE and the remaining 4% visited the country for other reasons. Growth was seen from air holiday arrivals (+12%), business (+4%), VFR (+16%) and employment (+35%), while visitors coming for MICE reasons and via cruise ships dropped in the year. Sports tourism is another sector that is expected to grow rapidly due to more international sports played in the country, and with more international sports stadium built in NCD; sports tourism will be an important segment for the tourism industry.

The healthy growth in holiday arrivals to the country was a result of the PNG Tourism Promotion Authority working in partnership with the tourism industry players and key stakeholders to promote the destination, as well as carrying out more awareness and product developments in the model provinces. This upward trend is expected to continue in 2020 as TPA has set out clear long and short-term plans to develop the tourism industry in line with the unique tourism products in Papua New Guinea, and as TPA leads to implement and achieve the objectives, tourism will be a significant contributor to the economy.

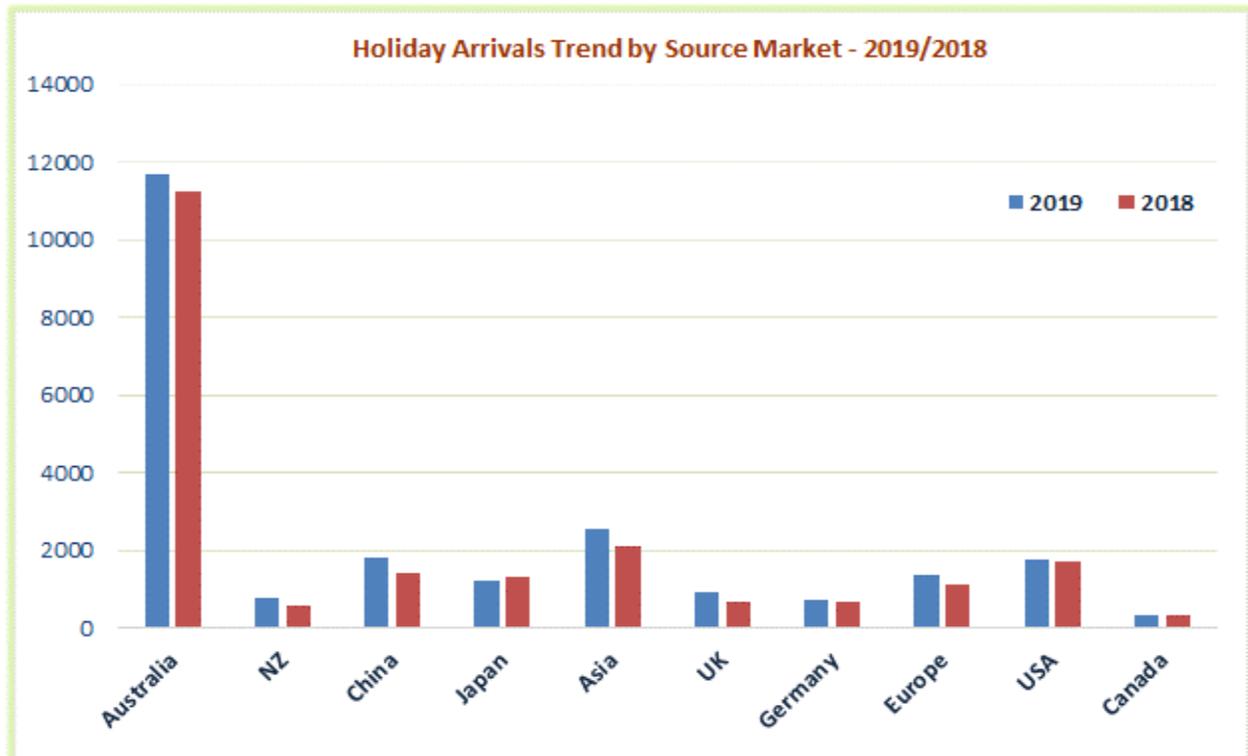
Percentage Distribution by Purpose of Visit – 2019



Most of the visitors from America (46%), Japan (60%), Australia (45%) and European markets (48%) came to PNG for holiday reasons by air and sea, while the majority of the visitors from Asia were more on business and short-term employment in the country. Holiday arrivals by air from Australia picked up well in 2019 as a result of opening the Kokoda Track after disgruntle land owners closed the track in late 2018, and holiday arrivals via cruise ship from Australia and New Zealand have also done well during the year.

Holiday (Air) Arrivals by Source Market – 2019/2018

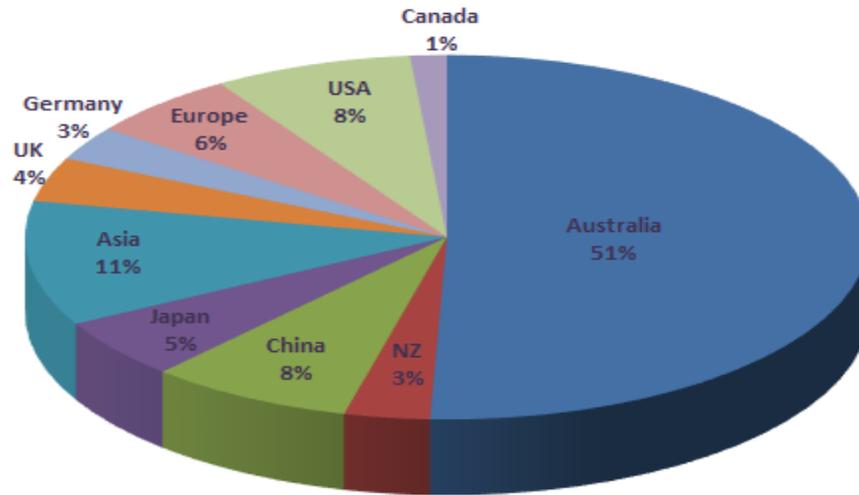
Holiday Arrivals by Air				
Country	2019	2018	Change	% (+/-)
Australia	11701	11220	481	4
New Zealand	758	588	170	29
Oceania	812	865	-53	-6
China	1812	1394	418	30
Japan	1234	1298	-64	-5
Korea	232	130	102	78
Malaysia	556	486	70	14
Singapore	248	178	70	39
Philippines	1038	637	401	63
Indonesia	195	158	37	23
India	368	152	216	142
Other Asia	523	367	156	43
United Kingdom	904	693	211	30
Germany	697	655	42	6
France	266	250	16	6
Netherlands	96	103	-7	-7
Other Europe	989	749	240	32
USA	1768	1711	57	3
Canada	221	240	-19	-8
Other America	102	84	18	21
Africa	182	90	92	102
Russia	97	61	36	59
Italy	126	82	44	54
Scandinavia	174	108	66	61
Chile	15	6	9	150
Israel	85	113	-28	-25
Total (Holiday)	25199	22418	2781	12



1.2 Market Share Distribution

On the total air holiday arrivals, Australia dominated the market by representing over 50 percent of the arrivals, followed by the USA and Chinese markets with 8% each, UK 4%, Germany and New Zealand at 3% each, while the collective Asia and Europe markets contributed 11 and 6 percent respectively.

Holiday (Air) Arrivals Share by Source Market – 2019



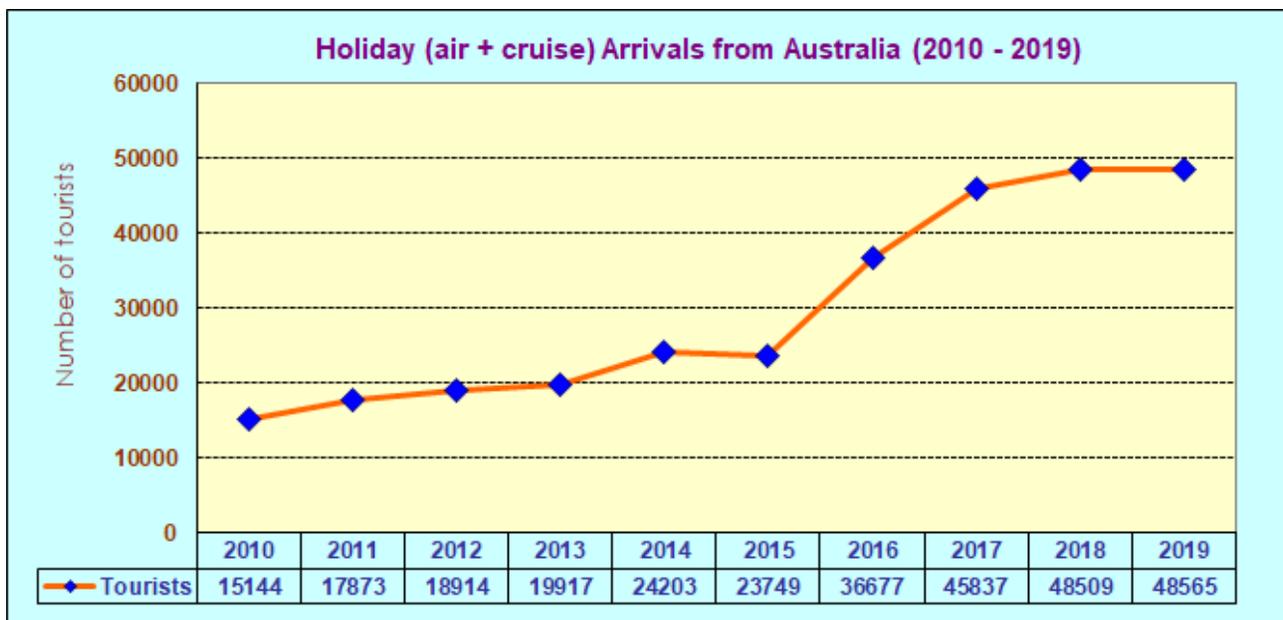
The New Zealand market continues to improve its market share position as a result of more coordinated marketing activities extended to other parts of New Zealand's main cities by the TPA Sydney Office.

1.3 Source Market Performance

Australian Market

The Australian market continues to remain the highest single source market for Papua New Guinea. It accounted for more than 51 percent (105,264) of the total arrivals in 2019, recording a slight decrease in total arrivals by 2% compared to 2018.

The total (air + cruise) holiday arrivals from the Australian market increased by one percent, while business arrivals decreased by 3 percent compared to the 2018 arrivals from the market. Holiday air arrivals from Australia increased by 4% as a result of an increase in trekker numbers from the Kokoda Track in 2019.



As it can be seen from the graph, strong growth in holiday arrivals from the Australian market was seen from 2015 onwards, and that was the result of the effort put in by the TPA Sydney office to promote and market the destination. The previous TPA Sydney team was able to carry out more marketing activities targeting tourists from all around Australia. One of it being the development of a comprehensive website for visitors to browse through and make travel decisions. The PNG Tourism Promotion Authority Office in Sydney had also launched a TPA Australia face book & twitter page to service as a platform to support and carry out marketing activities and boost tourist numbers from the market. Most of the tourists from Australia came to PNG by cruise ship on holiday.

TPA now has a new Destination Marketing Representative (DMR) that has come up with new marketing plans to grow tourist numbers from the Australia and New Zealand markets.

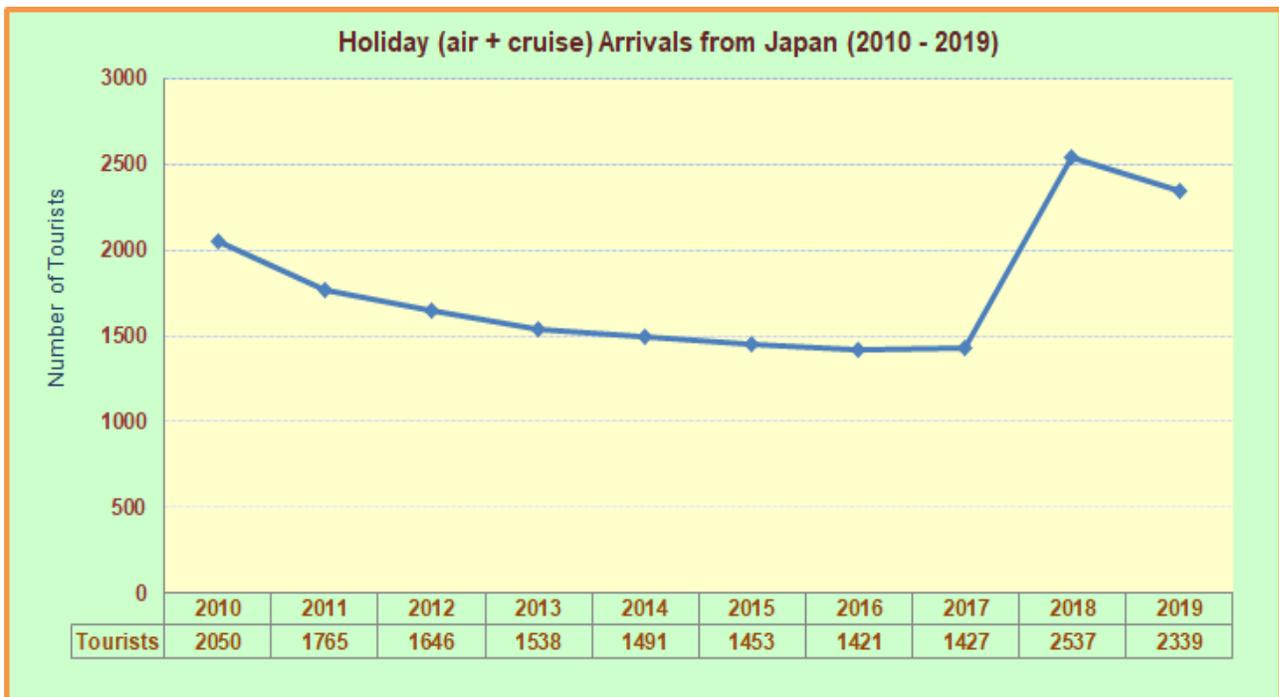
Japan Market

Japan is one of Papua New Guinea's key source markets, and one of the high spending markets for Papua New Guinea. Growth in visitor numbers has improved in 2010 after performing poorly in 2009. The healthy growth in 2010 was a result of launching the additional flight by Air Niugini on the PNG/Japan route and the appointment of a new marketing manager for the PNG TPA Japan Office, who has come up with new marketing initiative to grow the market share for Papua New Guinea. The Japan market recorded an increase of 17% in holiday arrivals in 2010, while the business sector also recorded an increase in 2010 compared to 2009 arrivals.

Since 2011, holiday arrivals from Japan started to drop and remained stagnant over years. This was the result of the chain of disasters that triggered by the 9.0 magnitude earthquake in northern Japan on March 11, 2011 that hampered growth of Japanese outbound tourists since April 2011. Air Niugini's suspension to its Wednesday service to Narita, on 7th September 2010 had also contributed to the drop in arrivals from the market.

In 2018, arrivals from this market picked up strongly by recording an increase of 35% compared to the previous year. This was a result of more tourists arriving by cruise ships to the country, however, holiday arrivals from this market dropped by 5% in 2019 compared to 2018.

Annual holiday arrivals from the Japanese Market



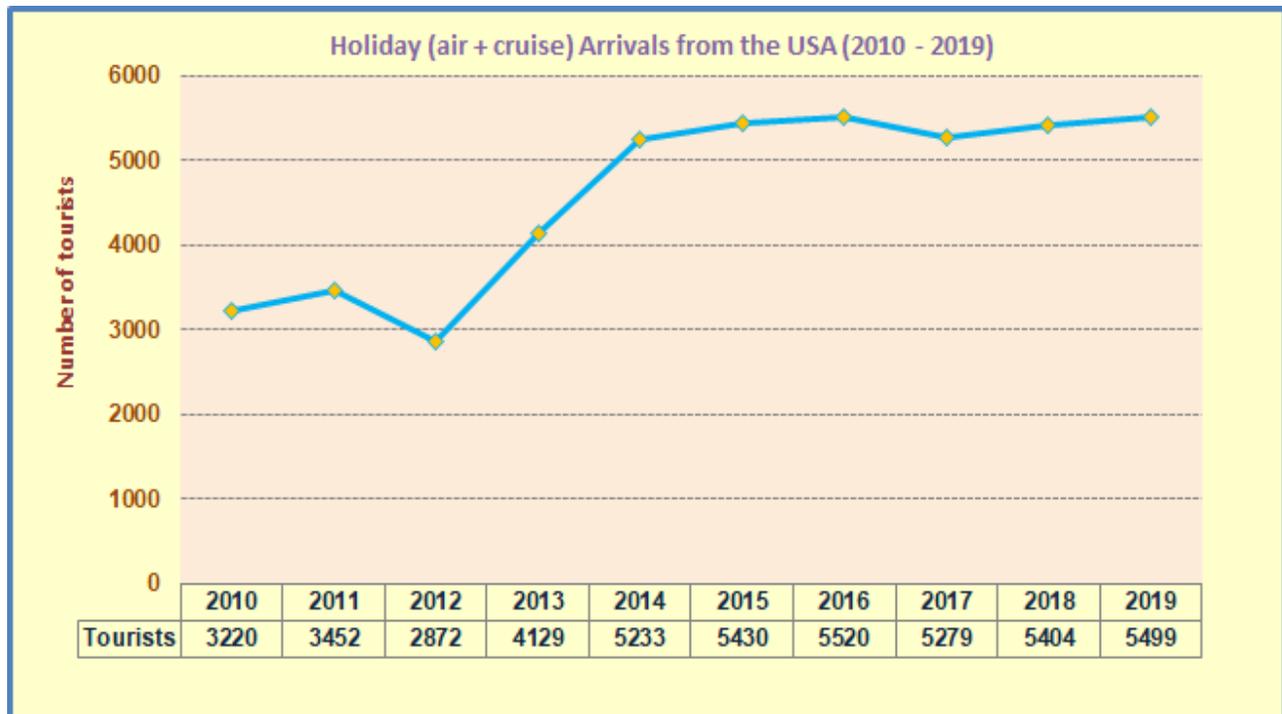
North American Market

The North American market collectively generated about 6% (12,711) of the aggregate arrivals in 2019, reflecting an increase of 5% compared to 12,020 arrivals in 2018.

Between 2003 and 2009, total arrivals from the US increased by around 88 percent, and in 2009 arrivals from the market declined by 14 per cent, with arrivals being slightly impacted by the financial crisis in the United States. In 2010 arrivals picked up well and recorded an increase of 26 percent after a slow growth in the first quarter. Papua New Guinea remained well-positioned with good air access and cruise ship visits from the market until 2017, and picked up again and performed well in 2018 and 2019. The TPA Los Angeles Office has been working hard to promote Papua New Guinea under the brand 'A MILLION DIFFERENT JOURNEYS' in the North American Market and will continue to remain one of the key source markets for Papua New Guinea.

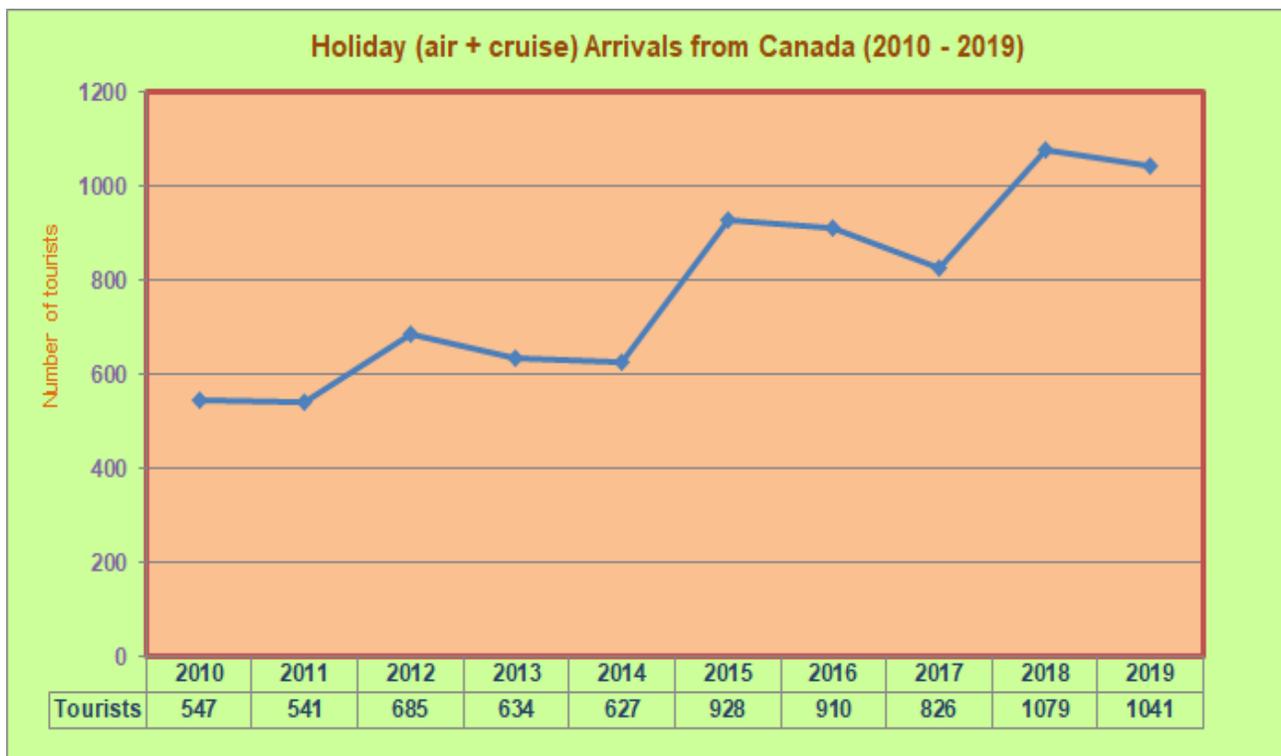
Visitors from the United States rate PNG's environment and the activities we have on offer more highly than other markets, showing that PNG's offering as a destination fits well with Americans from our target market. In particular PNG has very strong appeal as a niche destination among North American travellers interested in the outdoors, adventure and culture. Being our second largest holiday market, Papua New Guinea continues to attract only a tiny proportion of US outbound travellers and awareness remains low. In US and Canada, interest in Papua New Guinea is strong, but due to recent terrorism/war and coronavirus threats around the world, arrival is expected to slow down this year.

Annual holiday arrivals from the American Market



As it can be seen from the graph, the trend in holiday arrivals from the US market maintained a steady growth from 2010 to 2016 after the global financial crisis, but slightly dropped in 2017 due to the elections and security threats and picked up again in 2018. The US economy has fallen into a deep recession in 2008, and the entire world tourism market has suffered. However, Papua New Guinea has benefited from this market over the years, a result of strong marketing efforts put in by TPA in this market to resist any unforeseen threats in the future. In 2019, holiday arrivals from the USA market increased by 3 percent compared to the previous year.

Below is a similar holiday arrival trends for the Canadian market.



Europe

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 markets. 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 activities. However, the smaller European markets have shown their resilience over the past months, despite the negatives, many present good growth opportunities for the Papua New Guinea Tourism Industry. In 2019, visitor arrivals from Europe posted a growth of 25 percent. The UK and Germany were the major contributing markets.

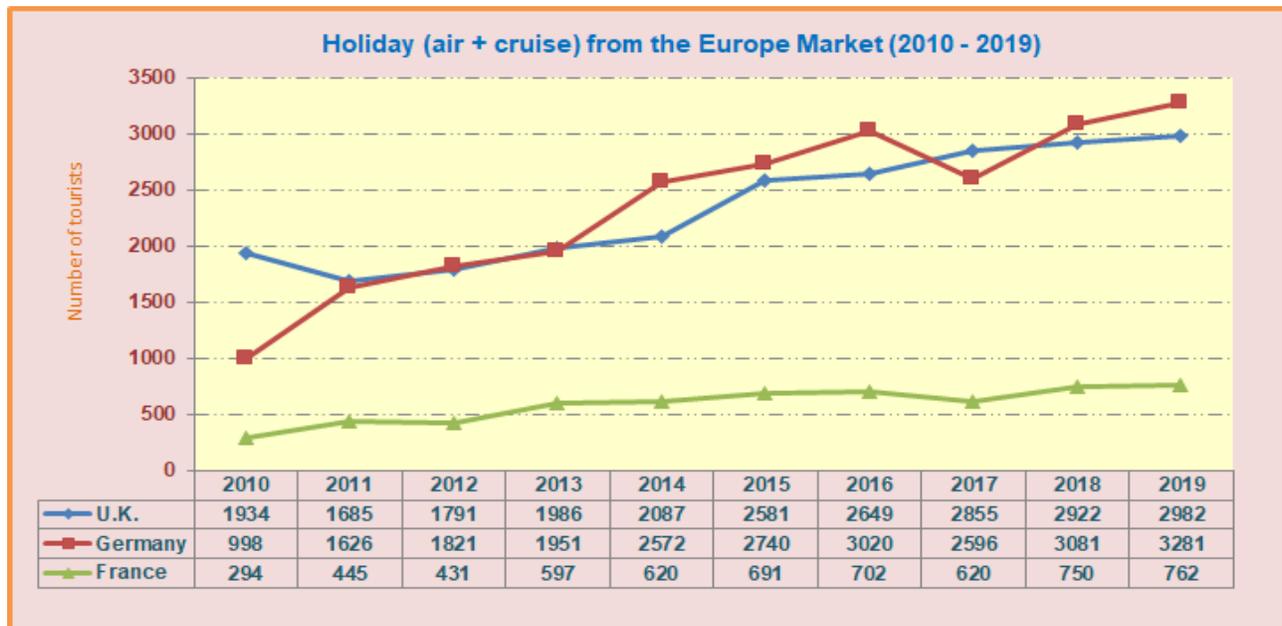
The collective European markets accounted for 6% percent (13,523) of the total arrivals. United Kingdom represented 45 percent (6,069) of arrivals from the market, Germany generated 15 percent (2,139) and France accounted for 7 percent (888), while the other European markets contributed 33 percent to the total arrivals from Europe. Even though there was a drop in arrivals from the European market in 2017 due to the election and travel warnings, it picked up exceptionally well in 2018 and continued through 2019. The healthy growth in holiday arrivals was seen from the UK, Germany and France markets by posting an increase of 30 and 6 percent each respectively.

In 2009, visitor arrivals from these markets dropped due to the global financial crisis and picked up well in 2010 through to 2016 and 2018.

Holiday arrivals from UK and Germany remain strong and the Papua New Guinea Tourism Promotion Authority UK and Munich Offices continue to run the new marketing campaign with the tagline '*A MILLION DIFFERENT JURNEYS*' and working closely with travel sellers in the markets, to ensure British & Germans keep Papua New Guinea on their wish-lists. The campaigns have also been extended to other parts of Europe including France, the Netherlands and Switzerland, where growth opportunities have been identified.

Refer to the graph on the following page for more information.

Annual holiday arrivals from the European Market



It can be clearly seen from the trend that the markets performed well in 2018, while a drop in tourist arrivals was experienced in 2017 as a result of the elections and global terrorism threats in Europe.

In 2018, European tourists re-gained confidence and wanted to travel to long-haul destinations. Most of the European tourists traveling to Papua New Guinea are motivated by PNG's unique culture and natural environment. TPA's effective marketing of the cultural festivals and unique tourism products in the region had generated a lot of demand in the market. The notable approach is the inviting of more travel writers and film crews from Europe by both TPA and industry partners to channel the tourism products to targeted consumers in the region and participating in travel/trade shows to generate demand amongst wholesalers/retailers from Europe. In 2020, the European markets are expected to perform well as TPA and the industry partners are attending ITB and other major trade/consumer events in the region to promote Papua New Guinea as a unique tourist destination.

Annual holiday arrivals from the Chinese Market

In the Asian region, China and Korea are potential markets for Papua New Guinea and represents about 8% of the total arrivals. Most of the visitors from these markets visit for business and employment reasons like all other Asian countries, however, holiday arrivals from the Chinese market has performed well.

After a drop in 2017, outbound travel has started to rebound, and more Chinese were travelling overseas for holidays than ever before, with 2019 showing an increase in holiday arrivals to Papua New Guinea. Contributing factors are renewed confidence after the Influenza A (H1N1) Swine Flu and more flights in and out of Asia.

The healthy growth recorded in 2019 is expected to slow down this year as a result of the coronavirus threat in China and around the globe. The terrorism/war threats around the world will be other factors that will stop tourists from travelling around the world.

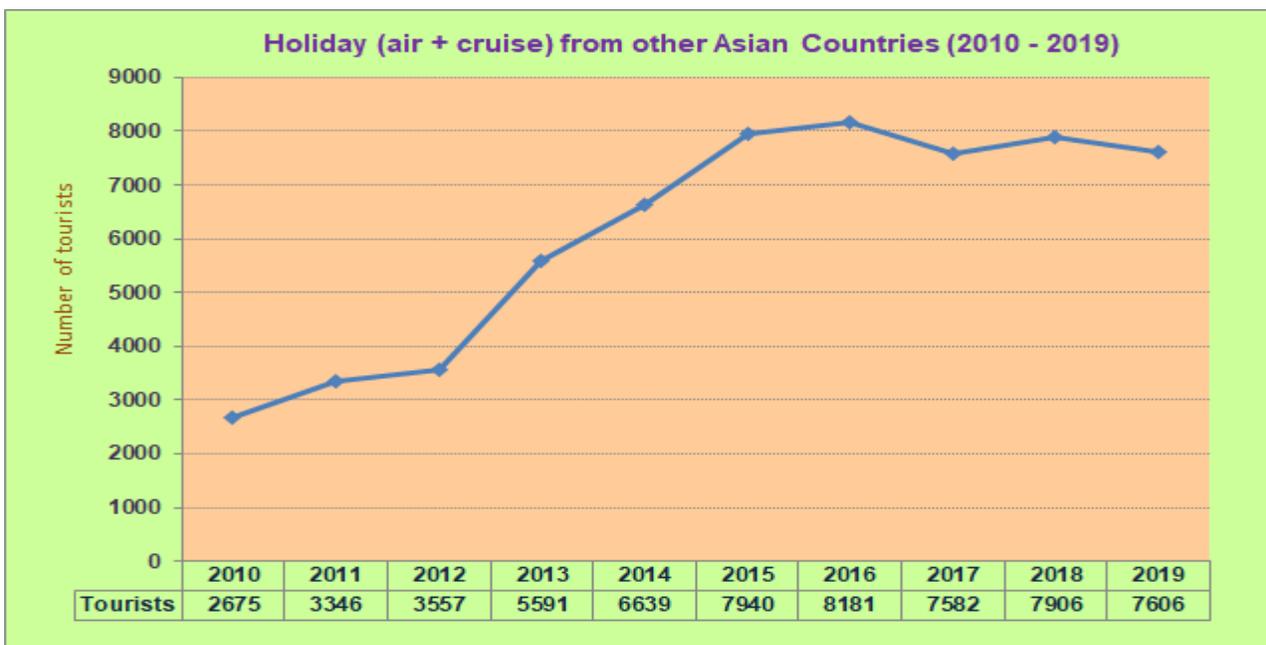
However, PNG TPA's new marketing plans to carry out marketing activities in Chinese language in the future will boost tourist arrivals from the market and the outlook for Chinese travelling to PNG in the short-term remains gloomy and high in the long-term when the coronavirus is controlled and Chinese renewed travel confidence. TPA's new marketing plans to carry out marketing activities in Chinese language will boost tourist arrivals from the market and the outlook for Chinese travelling to PNG in the long-term remains positive with TPA's presence in the market.



Other Asian Markets

The other Asian markets collectively represented 20 percent of the total arrivals (41,846), recording a decrease in holiday arrivals in 2019 compared to the previous year. A higher number of the visitors were age between 30-39 and 40-49 years. Most of the visitors from the Asian markets visited for business and employment reasons. However, China and other Asian markets recorded an increase in holiday arrivals in 2019 compared to 2018 as a result of carrying out more marketing activities in the market through the TPA office in Shanghai, China.

Asian tourists are often seen as just one category - package tourist, but there are other categories. By recognizing these categories and catering for them better, Papua New Guinea has a great opportunity to take advantage of growth in the number of Asians including Japanese holidaying overseas. In the past most of the Asian tourists preferred package tours. Today, many Japanese/Asians have already experienced overseas travel, so their desires are changing. As a result, travel agencies in Japan are providing various kinds of new services to attract customers, where PNG tourism operators can take advantage of maintaining a close relation with the Japan travel agencies and wholesalers and sale their products.



Oceania

Total arrivals from Oceania in 2019 indicated an increase of 18 percent compared to the total arrivals in 2018. Most of the visitors from this market came for business and employment reasons (54%), while less than 25 percent visited for holiday.

New Zealand

New Zealand contributed about 5 percent (9,191) of the total arrivals in 2019, which was an increase of 1% compared to 2018. Holiday arrivals from this market also increased in 2019 as a result of the cruise ships and trekking the famous Kokoda Track.

Annual holiday arrivals from the Oceania Market



Annual holiday arrivals from the New Zealand Market



Holiday arrivals from the New Zealand market picked up strongly from 2014 to 2017 and slightly dropped in 2018. Tourist numbers from this market is expected to improve in 2019 as a result of opening the TPA office in Sydney and new web-site developments, where a lot of quality promotion will be done (through this office) to attract more Australian and New Zealand tourists.

1.4 Areas visited by international visitors in PNG

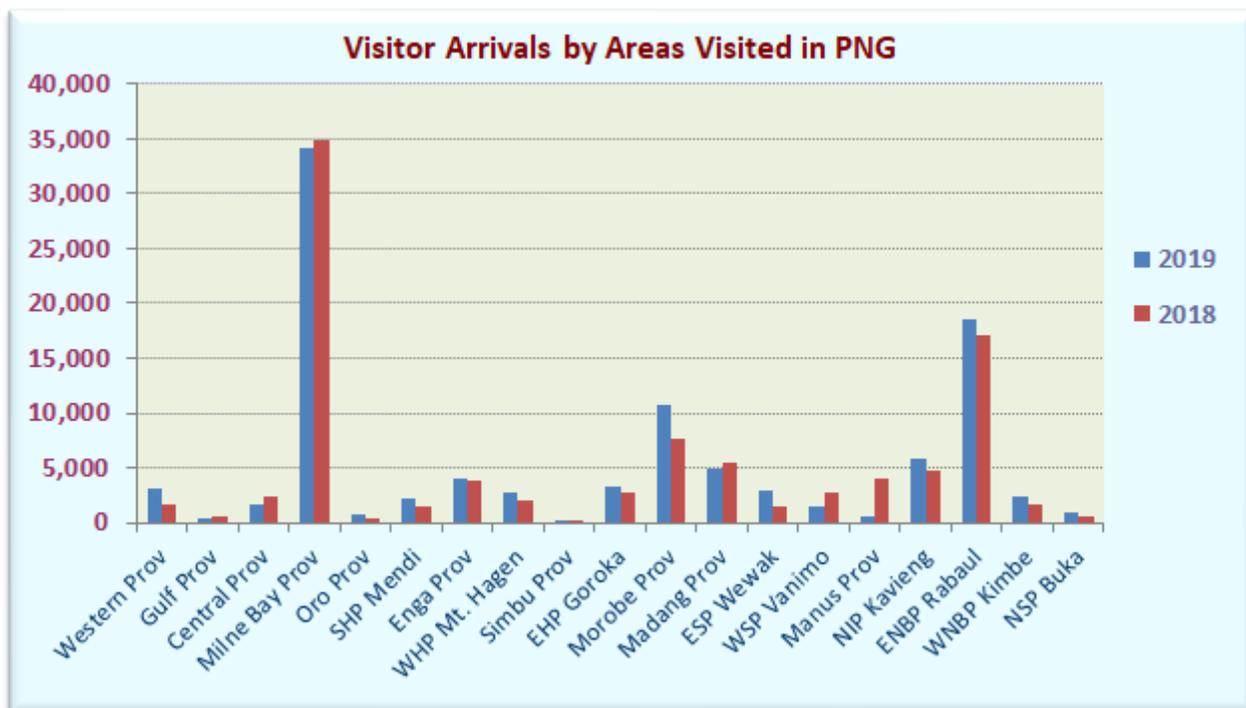
Main Areas Visited & Purpose of Visit - 2019										
Main Areas	Purpose of Visit									Total 2019
	Business	MICE	Holiday	Cruise	VFR	Employnt	Sports	Educatn	Other	
Central Prov	249	10	495	0	285	476	0	32	75	1,622
EHP	768	44	605	0	357	1,092	11	92	282	3,251
ENBP	635	30	990	15,189	329	1,191	2	39	107	18,512
Enga Prov	615	3	71	0	34	3,181	23	14	20	3,961
ESP	341	6	322	1,646	92	431	0	28	64	2,930
Gulf Prov	116	1	49	0	23	245	0	4	23	461
Hela Prov	395	2	14	0	3	1,571	0	10	21	2,016
Jiwaka Prov	38	11	53	0	62	55	0	10	44	273
Kokoda	36	0	3,366	0	13	22	0	27	2	3,466
Madang Prov	662	44	663	827	206	2,285	0	54	155	4,896
Manus Prov	141	3	23	0	38	418	0	1	8	632
Milne Bay Prov	240	8	551	32,652	155	436	0	37	76	34,155
Morobe Prov	3,314	119	970	0	602	5,237	13	117	330	10,702
NCD(POM)	35,475	3,430	14,023	469	8,048	38,346	1,516	545	3,360	105,212
NIP	1,153	24	861	0	167	3,518	3	28	98	5,852
NSP Buka	166	12	109	210	86	243	0	7	48	881
Oro Prov	92	3	290	0	41	213	0	16	23	678
SHP	724	4	78	0	31	1,369	0	6	38	2,250
Simbu Prov	18	6	33	0	30	58	0	5	17	167
Western Prov	976	14	107	0	75	1,949	0	23	50	3,194
WHP	537	33	632	0	275	1,190	1	38	115	2,821
WNBP	343	8	711	248	202	826	0	35	50	2,423
WSP	79	3	183	176	28	142	0	2	12	625
Total	47,113	3,818	25,199	51,417	11,182	64,494	1,569	1,170	5,018	210,980

Port Moresby being the gateway to the country, visitor arrivals to the country remains high for the National Capital District (NCD).

The high visitation to Morobe, New Ireland, Enga, Western, Southern Highlands/Hela Provinces is attributed to the increased business and mining activities in the areas, while most of those visiting Milne Bay, ENBP and Madang are mainly due to the increase in cruise ships and tourism activities in these provinces.

In 2019, Milne Bay and ENB received the highest number of tourists, followed by Kokoda, Morobe, New Ireland, West New Britain, Western Highlands, Eastern Highlands and other provinces. Most of the tourists that visited the coastal areas were air and cruise ship tourists, which made up more than 60 percent of the total visitation for the coastal provinces. From data collected in the year, about 25 cruise ships visited Papua New Guinea and contributed about **24** percent or 51,417 visitors to the total arrivals in 2019. More than 95 percent of the cruise ship visitors were purely holiday makers while the remainder 5 percent came for business and other reasons. Refer to the graphical distribution of visitors to the provinces on the next page.

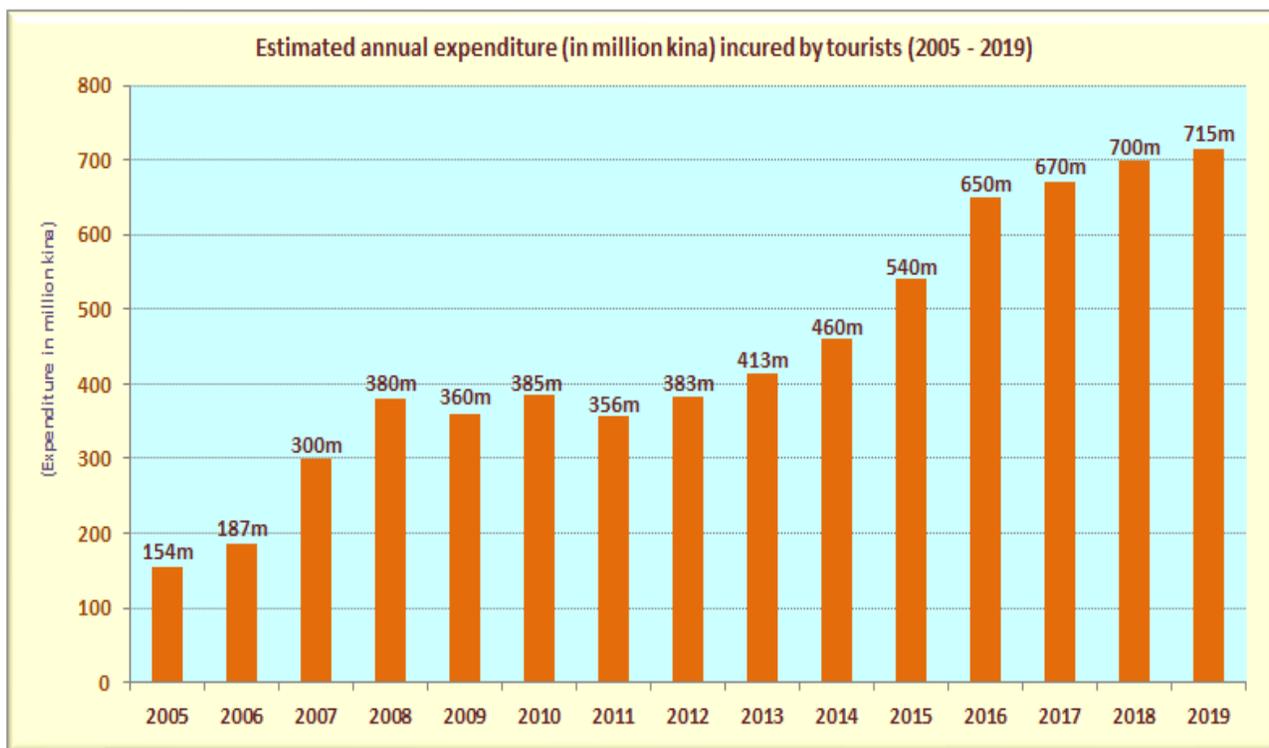
After experiencing a slight drop in arrivals in 2017 as a result of the national election and security threats, Papua New Guinea's tourism industry has performed well in the last two years, in terms of international arrivals to Papua New Guinea. In 2018, a total of 194,876 international visitors were recorded, which was an increase of 7% compared to the other year. In 2019, the arrivals figure continued the upward trend by recording 210,980 international visitors, an increase of 8% compared to the 2018. Healthy growth was seen from the holiday sector and this is expected to continue in 2020.



1.5 Tourism Receipts (Estimate)

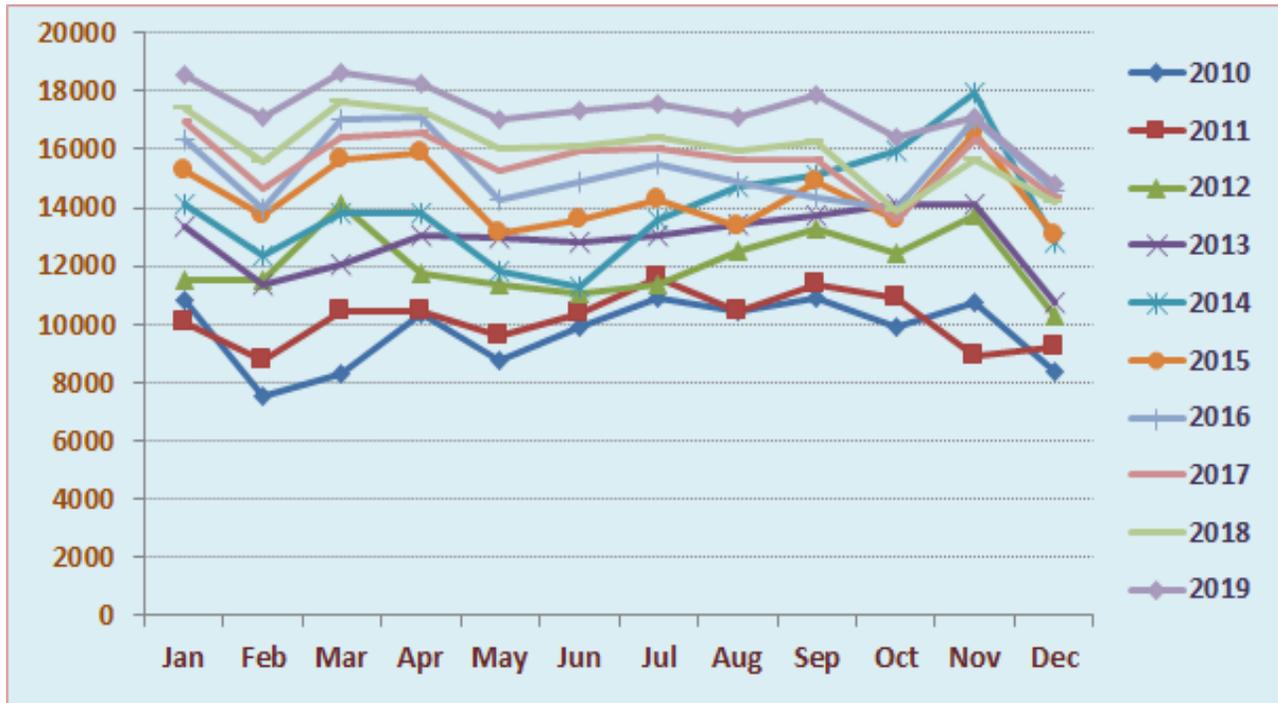
According to the information from our Visitor Exit Survey:

Total visitor expenditure in 2019 was estimated to be **K1.5 billion**, which was an increase of **7%** compared to the estimated **K1.4 billion** spent by visitors in 2018. Out of the total expenditure, it was estimated that genuine tourists had spent a total of **K715 million**, an increase of **2%** or **K15 million** additional spending into the PNG economy compared to the **K700 million** spent by genuine tourists in 2018. The increase in expenditure by tourists was a direct result of the increase in holiday arrivals and length of stay in the country.

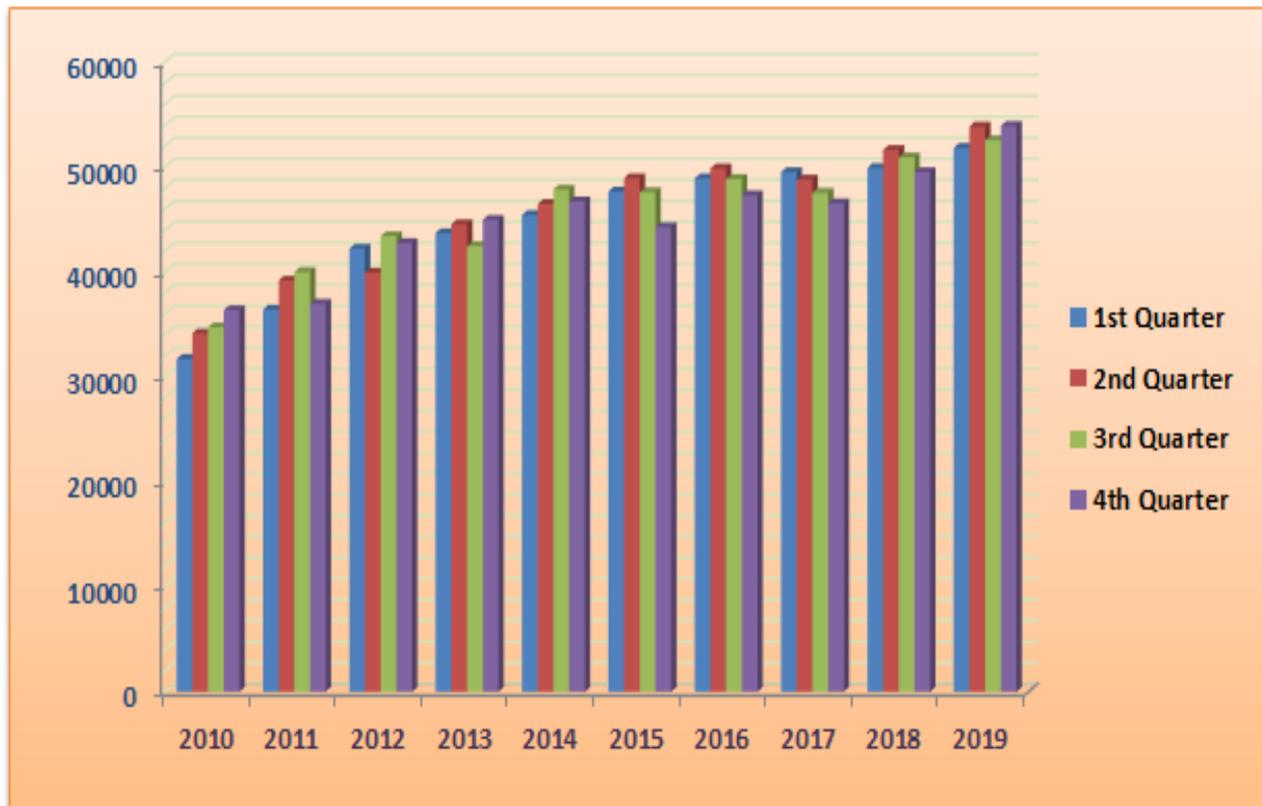


1.6 Arrival Trends & Forecasts

Monthly Visitor Arrival Trends & Seasonality (2010 – 2019)

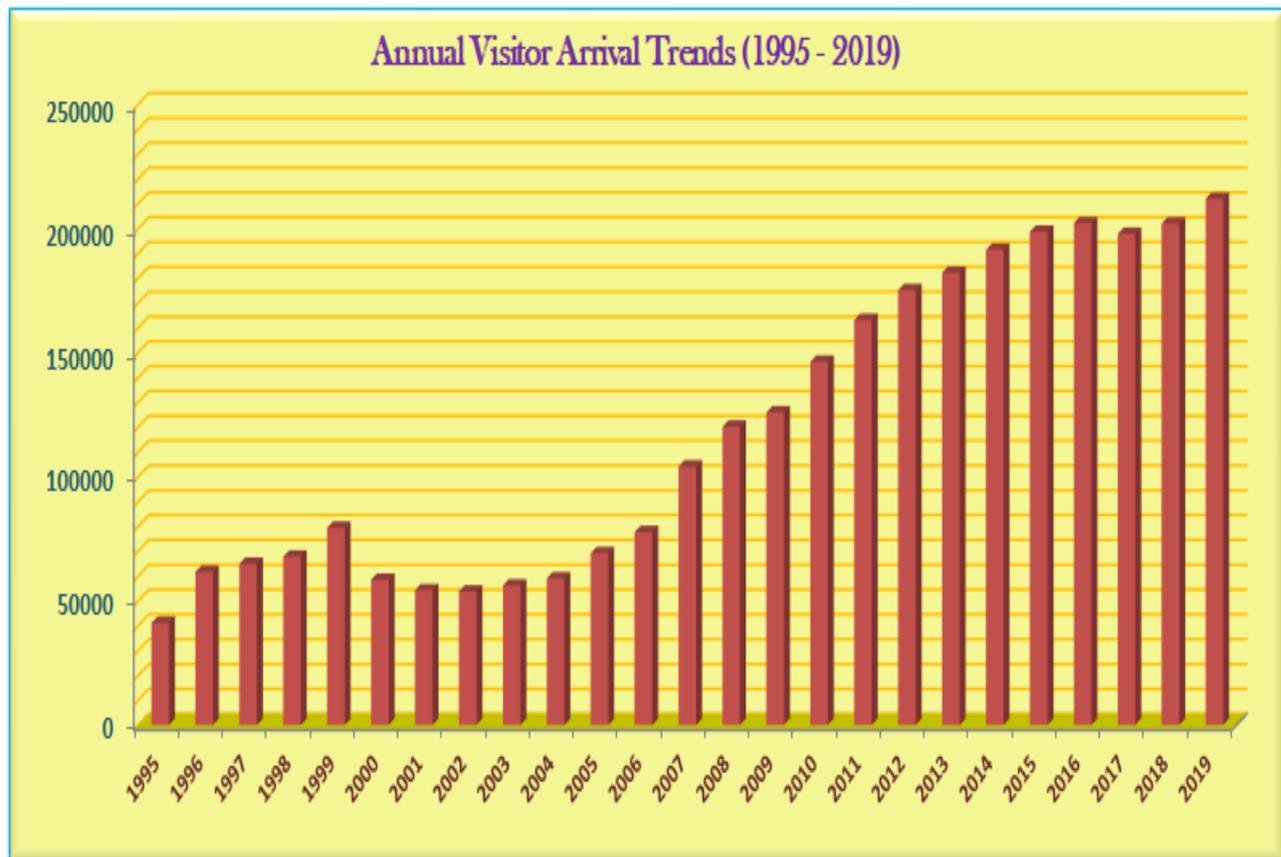


Quarterly Visitor Arrival Trends (2010 – 2019)



2019 Visitor Arrivals Summary Table & Trends

Visitors Arrival Analysis													
Total - 2019											January - December		
Country	Busins	MICE	VFR	Holiday (Air)	Holiday (Cruise)	Emplmnt	Educatr	Sports	Other	Total 2019	Total 2018	Change	% (+/-)
Australia	23047	1117	6114	11701	36864	21855	628	766	1348	103440	105264	-1824	-2
New Zealand	2781	178	423	758	2038	2695	41	70	207	9191	9120	71	1
Oceania	1612	704	777	812	212	2122	322	209	405	7175	6068	1107	18
China	3334	223	622	1812	27	8463	62	3	209	14755	12732	2023	16
Japan	986	112	73	1234	1105	307	19	0	88	3924	3994	-70	-2
Korea	562	53	63	232	4	267	18	1	43	1243	955	288	30
Malaysia	2266	94	278	556	19	3478	24	0	163	6878	5776	1102	19
Singapore	838	32	39	248	4	322	4	3	27	1517	1449	68	5
Philippines	1781	200	913	1038	2197	12168	112	14	652	19075	13943	5132	37
Indonesia	740	95	104	195	359	1869	13	0	102	3477	3358	119	4
India	1096	143	334	368	1051	2982	71	1	299	6345	3743	2602	70
Other Asia	1097	148	152	523	24	1200	27	3	137	3311	2697	614	23
United Kingdom	1421	115	186	904	1826	1416	22	69	110	6069	4386	1683	38
Germany	289	28	85	697	647	312	14	0	67	2139	1903	236	12
France	322	22	17	266	14	191	9	0	47	888	1075	-187	-17
Netherlands	185	9	35	96	40	157	4	1	26	553	583	-30	-5
Other Europe	841	81	146	989	920	735	25	1	136	3874	2833	1041	37
USA	2075	210	531	1768	2831	1547	107	23	646	9738	9428	310	3
Canada	424	27	78	221	820	555	3	1	97	2226	1991	235	12
Other America	179	24	37	102	114	239	8	0	44	747	601	146	24
Africa	725	165	119	182	95	1120	22	1	91	2520	1076	1444	134
Russia	129	4	12	97	6	219	6	0	15	488	502	-14	-3
Italy	121	14	24	126	162	88	2	1	21	559	544	15	3
Scandinavia	148	13	14	174	31	99	4	3	24	510	505	5	1
Chile	8	1	1	15	7	6	1	0	7	46	32	14	44
Israel	106	6	5	85	0	82	1	0	7	292	318	-26	-8
Total 2019	47113	3818	11182	25199	51417	64494	1569	1170	5018	210980	194876	16104	8
Total 2018	45450	6373	9657	22418	54935	47759	1240	1886	5158				
Change	1663	-2555	1525	2781	-3518	16735	329	-716	-140				
% (+/-)	4	-40	16	12	-6	35	27	-38	-3				



1.7 Visitor Arrival Forecasts in the next five years (2020 – 2024)

Year	Business	Holiday	VFR	Other	Total	% +/-
2010	105220	32696	8341	671	146928	18.5%
2011	120622	35618	6672	2081	164993	14.4%
2012	128957	38331	7030	885	175203	6.2%
2013	131831	41343	7505	1509	182188	3.9%
2014	129938	50815	9904	785	191442	5.1%
2015	131773	54025	11742	1147	198687	4.0%
2016	127403	56744	12027	1458	197632	-0.5%
2017	103071	64925	9127	4717	181840	-8.0%
2018	102708	77353	9657	5258	194976	7.0%
2019	118164	76616	11182	5018	210980	8.2%
2020*	114048	85124	14588	5564	219324	7.0%
2021*	125560	88205	15485	5655	234905	7.4%
2022*	134683	105372	18592	4870	263517	12.0%
2023*	156085	119783	20565	4942	301375	14.3%
2024*	179472	121485	21280	5246	327483	8.7%

Note: Figures in bold are forecasts*

The visitor arrival trends in the last ten years have been positive, and the holiday segment from most of our key source markets have been performing well. Most of the growths in visitor arrivals were within our target and that is to double the holiday figures every five years. However, 2017 was an election year and due to security threats and travel warnings, travel was limited.

Visitor arrival numbers to the country picked up again in 2018 as TPA in partnership with the industry players were able to develop new tourism products and carry out more marketing and promotional activities in the overseas markets. The tourism outlook for PNG is promising over the next ten years, largely due to the expected strong economic growth in PNG and its major tourism source markets, the TPA's marketing and promotion initiatives in the major markets, the proper recognition of the tourism sector by the PNG Government and the additional number of Air Niugini flights on the Japan, Philippines and China routes. The stable political environment of PNG will also secure destination for tourists.

In the next five years (2020-2024), international visitor arrivals will continue to grow at an average rate of 8% annually and by 2024 over 300,000 visitors will have visited Papua New Guinea, spending an estimated revenue of some K3 billion into the economy. The growth will be supported strongly by the implementation of the TPA plans (including the master plan) and Air Niugini's plan to expand its flight services to other international and domestic destinations. Increased marketing activities by TPA and the development of more tourism products by TPA and tourism industry partners will also determine our predicted growth in visitor numbers to Papua New Guinea.

The value of the PNG Kina has depreciated recently and more tourists choose to stay longer and spend more in Papua New Guinea, thus contributing significantly to the national economy.

Please note that unforeseen events like natural disasters, political or economic crisis, non-implementation of plans, budget cuts and new developments in the tourism industry during the forecast period are not taken into consideration in our forecast model and the forecast will be updated annually by monitoring the turnout of these events.

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