Harnessing Vanuatu’s Tourism to enable local consumption and exports
Content

• The tourism sector in Vanuatu’s economy
• Tourism forward and backward linkages
• Where do the tourists come from?
• Tourists’ spending in Vanuatu
• How tourists spend their money in Vanuatu?
• SWOT for tourism as a driver for local purchases
• The total contribution of tourism (including travel and transportation) to GDP was VUV 44,204 million, about 65% of GDP in 2013.

• The tourism sector is forecast to rise about 4.5% per annually to reach VUV 74,014 million by 2024 (70.9% of GDP).

• Most tourists are concentrated in the Port Vila area, Efate.

• The tourism sector has a significant impact over employment.
Upstream or backward linkages

Basic infrastructure services:
water, energy, telecom, sanitation & solid waste management services

Goods and services needed to build primary tourism facilities:
construction services, manufactured supplies

Goods and services needed to meet operational requirements:
agriculture and manufacturing, passenger transportation, hospitality, maintenance & repair and business services

Tourism Sector

financial
local transportation
telecommunications
cultural & entertainment
recreational
retail / shopping
personal
security
health
IT
... services

Downstream or forward linkages
Vanuatu receives about 30 cruise ships per month in during high seasons.


The purpose of the visitors are:

- 82% for holydays,
- 7% for business and conferences,
- 7% for family visits, and
- 3% for other purposes

Tourists’ spending in Vanuatu

Source: Based on Koema Atlas and UNWTO statistics (2013).
How tourists spend their money in Vanuatu?

Source: Derived from 2007 sample surveys, National Accounts, NSO

IUCN (2012). Fishing and Tourism in the Vanuatu Economy
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tr>
<td>- Extraordinary Natural endowments (strong ecotourism profile).</td>
<td>- Long distances from Western markets</td>
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<td>- Cultural richness</td>
<td>- Poor air access</td>
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<td>- Tourist demand will continue and has a tendency to increase</td>
<td>- Limited qualified labour</td>
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<td>- Several of the products discussed are highly demanded by tourists; especially in value added ones (e.g. coconut foods and chocolates, personal care products from coconut oil and cocoa butter, sandalwood sticks, etc.)</td>
<td>- Low internet penetration infrastructure (from 3G to 4G)</td>
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<td>- Efforts toward internal island travel facilitation (e.g. air pass packages and island bungalows)</td>
<td>- Limited and costly inputs</td>
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<td>- Low quality standards and packaging</td>
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<td>- Poor distribution and marketing channels</td>
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<td>- Sporadic difficulties in importing capital goods through transit ports</td>
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<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>- Tourist purchases demand higher standards that can also help in traditional exports</td>
<td>- Over dependency of Australian and New Zealand tourists</td>
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<td>- Links purchases with cruise visits, sailing boats routes and other related services</td>
<td>- Most of the expenditure is in Port Vila and surrounding</td>
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<td>- Create and expand local traditional markets: foods, textiles and crafts</td>
<td>- Lack of access to credit and technical support for small producers to meet standards</td>
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<td>- Expand the eco, agro and cultural tours offer</td>
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<td>- Promote minimum supply contracts with hotels and restaurants for key goods, cultural entertainment and personal care services</td>
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<td>- Potentially expand air travel routes to key Asian destinations</td>
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<td>- Reach untapped Asian markets (e-marketing)</td>
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