



**PACIFIC TOURISM
ORGANISATION**

GLOBAL INVESTMENT TRENDS IN TOURISM

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Purpose of this Presentation

- **Analyze Current Trends:** Provide an overview of the current global investment trends in emerging tourism markets.
- **Highlight Key Regions:** Identify and discuss key emerging markets, with a focus on the Pacific region.
- **Examine Challenges and Opportunities:** Explore the challenges in attracting tourism investment and the opportunities these markets offer.
- **Discuss Future Outlook:** Look at the future potential and trends in tourism investment, particularly in the post-COVID era.



Who We Are

- Evolving role over 40 years
- Increased demand for coordination and advocacy

The 2050 Strategy for the Blue Pacific Continent

- Guiding overarching strategy



Planning Our Journey Together

- Extensive consultations with members, both government and private sector, partners and the SPTO team

2050 STRATEGY FOR THE BLUE PACIFIC CONTINENT

Climate Change and Disasters

All Pacific Peoples remain resilient to the impacts of climate change and disasters and are able to lead safe, secure and prosperous lives. The region continues to play a leadership role in global climate action.

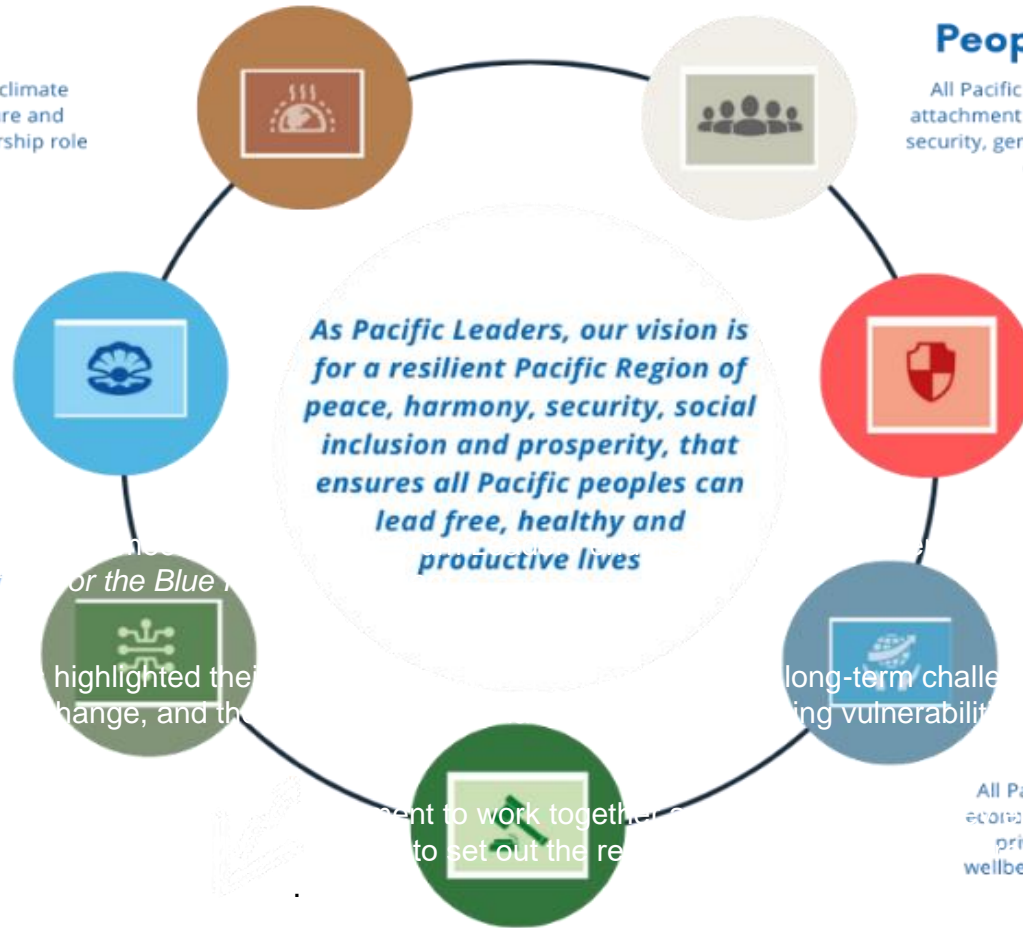
Ocean and Environment

All Pacific people live in a sustainably managed Blue Pacific Continent, while steadfastly maintaining resilience to threats to its environment.

Technology and Connectivity

All Pacific Peoples benefit from access to affordable, safe and reliable land, air and sea transport and ICT infrastructure, systems and operations, while ensuring culturally sensitive user-protection and cyber security.

CONTINENT



People Centered Development

All Pacific Peoples continue to draw deep cultural and spiritual attachment to their land and the ocean, and all are assured safety, security, gender equality and access to education, health, sport and other services so that no one is left behind.

Peace and Security

A peaceful, safe, and secure Blue Pacific region which respects national sovereignty, and where people can realise their full potentials as individuals, communities and nations, and where the region delivers Pacific-coordinated responses to security challenges and contributes to building global peace and security.

Resource and Economic Development

All Pacific peoples benefit from a sustainable and resilient model of economic development, including enabling public policy and a vibrant private sector and others, that brings improved socio-economic wellbeing by ensuring access to employment, entrepreneurship, trade and investment in the region.

Political Leadership and Regionalism

All Pacific Peoples will benefit for our Forum Leaders working together to safeguard, secure and progress the Blue Pacific Continent, achieving regional priorities through a united and cohesive political leadership supported by the Pacific Islands Forum and a responsive regional architecture that aligns to the region's priorities and values. Partners recognise and respect our collective approach as the Blue Pacific Continent.



SPTO Strategic Overview

VISION

A vibrant and responsible tourism sector empowering a resilient Pacific region of peace, harmony, security, social inclusion, and prosperity.

MISSION

To lead the development of responsible tourism in the Pacific region by strengthening partnerships and coordination, fostering collaboration and innovation, enhancing connectivity, and nurturing the capacity and capability of our country and private sector members.

VALUES



Leadership

Setting the agenda for responsible tourism in the Pacific and leading by example



Good governance

Driving transparency and accountability



Collaboration and partnership

Working as a team across divisions and engaging with stakeholders across the Pacific



Continuous improvement

Striving for personal and organisational development and innovation



Commitment to quality

Ensuring the consistent and high-quality delivery of our services



Integrity

Doing what is right



Respect

Acting with professionalism, care and empathy



STRATEGIC FOCUS AREAS (SFAs)

Setting our overall direction and goals across our divisions and projects that align with the 2050 Strategy for the Blue Pacific Continent and our members' needs.



SFA 1: SUSTAINABLE DESTINATION MANAGEMENT

Goal: To foster a cohesive, sustainable, and resilient tourism ecosystem across and within Pacific destinations that prioritises environmental conservation, cultural preservation, and community well-being.



SFA 2: MARKETING SUPPORT AND EVENTS

Goal: To facilitate collaborative marketing efforts and events, build members' capacity to market and promote their unique cultural and natural offerings, and amplify their distinct brands.



SFA 3: RESEARCH COORDINATION AND INSIGHTS

Goal: To contribute to responsible tourism outcomes by improving the collection, analysis, and dissemination of tourism-related data and insights to enhance data-driven decision-making and strategic planning within the Pacific tourism sector.



SFA 6: CONNECTING TOURISM AND AVIATION

Goal: To strengthen the interdependent relationship between the tourism and aviation sectors, ensuring that both work in harmony to maximise economic, social, and connectivity benefits for the Pacific region.



SFA 5: CAPACITY BUILDING AND TRAINING

Goal: To develop and implement a consistent and impactful training methodology and system to enhance the skills, knowledge, and competencies of tourism professionals across the Pacific region through comprehensive and aligned training initiatives that address the evolving needs of the tourism sector.



SFA 4: PARTNER COORDINATION AND SUPPORT

Goal: To strengthen collaboration between member countries, private sector stakeholders, and international partners by serving as a point of coordination and support.

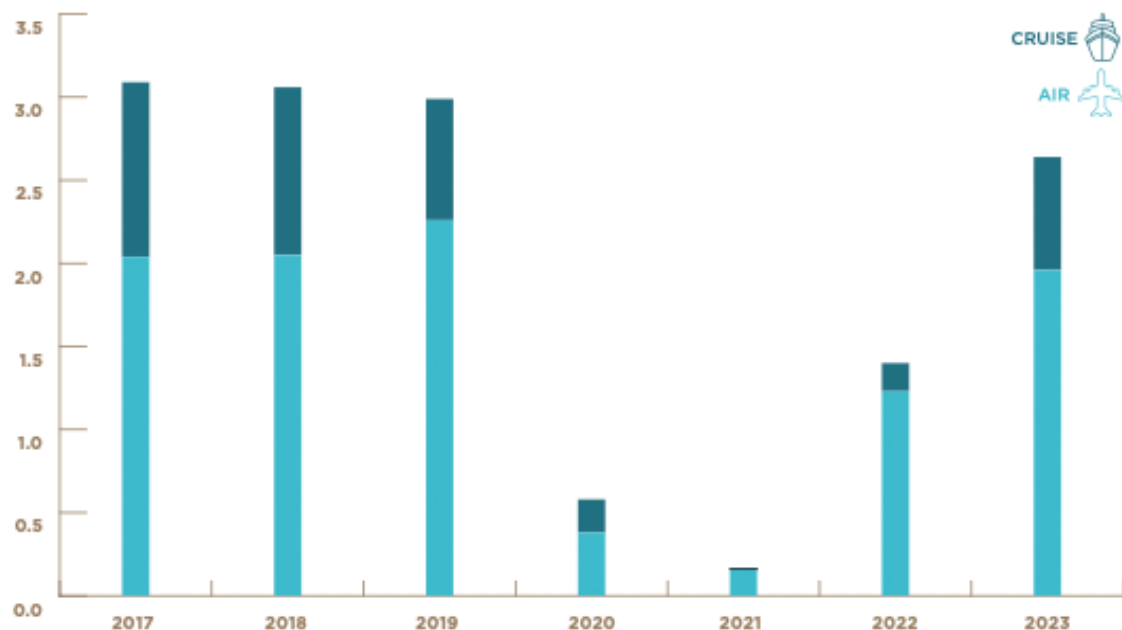


SUPPORT CAPABILITIES

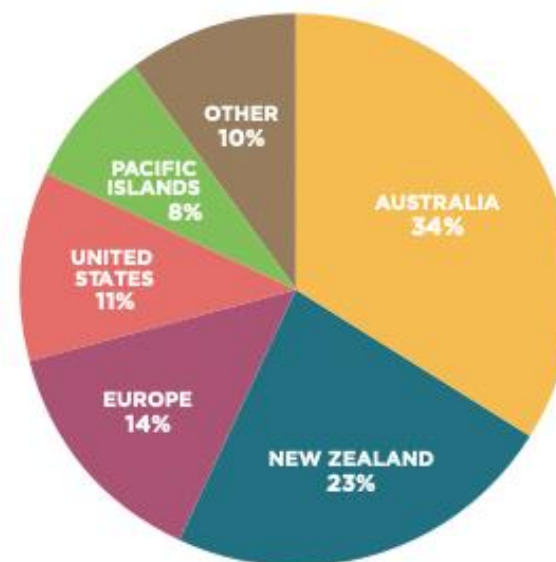
Enabling us to achieve outcomes through our SFAs

Strategic Context

PACIFIC VISITOR ARRIVALS 2017-2023 (millions)



2023 TOP SOURCE MARKETS BY % SHARE OF VISITOR ARRIVALS



% BREAKDOWN OF PURPOSE OF VISIT FOR 2023 ACROSS ALL COUNTRIES THAT SUBMITTED DATA

Leisure	65.03%
Visiting Friends/Relatives	12.91%
Business	6.00%
Others	16.05%

ECONOMIC CONTRIBUTION RECEIPTS

TOURISM RECEIPTS IN USD m		
	2019	2023
Fiji	1,396	1,063
Cook Islands	244	365
French Polynesia	744	772

KEY CHALLENGES FOR PACIFIC TOURISM

- ❖ Limited & expensive global and regional airline connections & frequency
- ❖ Loss of critical staff , institutional knowledge and job skills exacerbated by the COVID-19 pandemic and regional migration trends
- ❖ Climate Change and natural disasters increase risk of national/regional capacity to recover from pandemic impacts
- ❖ The challenging economic environment including, high energy costs, high inflation and the spike in oil prices, aggravated by the war in Ukraine, continues to be the main factor weighing on the recovery of tourism, according to experts.
- ❖ Constrained Regional Tourism Statistics - challenges range from data quality to statistical capacity gaps in agencies and the inadequacy of resources allocated for tourism statistics in countries.
- ❖ Sustainable tourism efforts often struggle to keep up with the accelerating pace of environmental change from tourism development and exacerbated by climate impacts.
- ❖ SMEs continue to face barriers in accessing grants and climate finance despite national-level strides in sector recovery.
- ❖ Governments and support organisations struggle to access climate finance as current systems are often prohibitive and as a result the pace of action remains slower than the accelerating impacts of climate impacts
- ❖ Pacific SPTO member countries are not investment-ready

KEY OPPORTUNITIES FOR PACIFIC TOURISM

- ❖ **Pacific Islands will appeal to the new travelers** seeking off the beaten track destinations, environmentally responsible, giving back to communities etc
- ❖ **Strong rebound from the Australian and New Zealander markets**
- ❖ **Unique Selling Point's (USPs) of the 20 SPTO PICS** remains a global competitive advantage
- ❖ **Pacific tourism industry is resilient** having previously rebounded from significant shocks
- ❖ **Diversifying economic opportunities and ensuring tourism development aligns with sustainability goals** at national and regional level.
- ❖ **Effective community engagement**, ensuring that tourism development is inclusive, equitable and culturally respectful remains critical in future proofing tourism in the Pacific.
- ❖ **Partnerships at regional level to support country led solutions** that are based on our shared goals and priorities identified in regional and national policies and plans will benefit the Pacific as a collective.

Overview of Emerging Tourism Markets

- Emerging tourism markets are regions or countries that are beginning to attract significant attention and investment from international tourists but are not yet fully developed or widely recognized as major tourist destinations. These markets often offer unique cultural, natural, or historical attractions that are less commercialized and can provide more authentic experiences.



Importance of Investment in Tourism

Tourism Product Development

- **Enhancing Quality:** Investments improve the quality and diversity of tourism offerings, making destinations more attractive to a broader range of tourists.
- **Innovation:** Funding new and innovative tourism products, such as eco-tourism and adventure tourism, can differentiate destinations in a competitive market.

Economic Development

- **GDP Growth:** Tourism investments contribute significantly to GDP growth by attracting foreign exchange and boosting local businesses.
- **Job Creation:** The tourism sector creates numerous jobs, from hospitality and transportation to tour guides and local artisans.

Sustainable Growth

- **Environmental Conservation:** Investments in sustainable tourism help preserve natural and cultural resources, ensuring long-term viability.
- **Community Benefits:** Sustainable tourism practices ensure that local communities benefit economically and socially from tourism activities.

Competitiveness:

- By improving quality and service standards, investments make destinations more competitive on a global scale.

Global Investment Trends in Tourism (2024)



Increased Focus on Sustainability

Eco-friendly Projects: Investors are prioritizing projects that emphasize sustainability, such as eco-resorts, renewable energy initiatives, and conservation efforts.

Consumer Demand: There is a growing demand from travelers for sustainable and responsible tourism options, driving investments in this area.



Technological Innovations

Digital Solutions: Investments in digital platforms, such as online booking systems, virtual reality tours, and AI-driven travel recommendations, are transforming the tourism industry.

Smart Tourism: The use of smart technologies to enhance tourist experiences, including smart hotels, digital concierge services, and personalized travel itineraries.



Shift to Experiential Travel

Unique Experiences: Travelers are increasingly seeking unique and personalized experiences, leading to investments in niche markets such as adventure tourism, wellness retreats, and cultural immersion programs.

Local Engagement: There is a focus on creating authentic experiences that engage with local communities and cultures.

Factors Driving Investment

Economic Growth

Rising Incomes: Increasing disposable incomes in emerging markets are driving domestic and international tourism.

GDP Growth: Strong economic performance in these regions attracts investors looking for high-growth opportunities.

Government Policies and Incentives

Supportive Policies: Many governments are implementing policies to attract tourism investments, such as tax incentives, subsidies, and streamlined regulations.

Public-Private Partnerships: Collaborations between governments and private investors are fostering infrastructure development and tourism projects.

Infrastructure Development

Transportation: Investments in airports, roads, and public transportation systems are making destinations more accessible.

Hospitality: Development of hotels, resorts, and other accommodations is crucial for supporting increased tourist arrivals.

Rising Middle Class and Disposable Income

Increased Travel: A growing middle class with higher disposable incomes is leading to more frequent and diverse travel.

Demand for Quality: This demographic is seeking higher quality and more varied travel experiences, driving investments in luxury and niche tourism sectors.

Key Emerging Markets

Asia-Pacific

Rapid Growth: Countries like China, India, and Southeast Asia are experiencing significant growth in tourism due to their rich cultural heritage, diverse landscapes, and increasing accessibility.

Investment Focus: Infrastructure development, luxury accommodations, and sustainable tourism projects.

Africa

Increasing Interest: Sub-Saharan Africa, including countries like Kenya, Tanzania, and South Africa, is attracting investments due to unique wildlife experiences, natural beauty, and cultural richness.

Investment Focus: Improving tourism infrastructure and promoting eco-tourism.

Latin America

Development Surge: Brazil, Mexico, and the Caribbean are seeing a surge in tourism investments aimed at enhancing beach resorts, adventure tourism, and cultural heritage sites.

Investment Focus: Government incentives to attract foreign investments and improve tourism facilities.

Evolution of Investment Views Pre- and Post-COVID

Pre-COVID Trends

- **Mass Tourism:** Focus on attracting large numbers of tourists, often leading to overcrowding and strain on local resources.
- **Luxury Travel:** High-end resorts and luxury travel experiences were major investment areas.
- **Rapid Infrastructure Development:** Significant investments in building new hotels, airports, and other tourism infrastructure to accommodate growing tourist numbers.

Post-COVID Shifts

- **Health and Safety:** Increased emphasis on health and safety measures, including hygiene protocols and contactless services.
- **Sustainable Practices:** Greater focus on sustainability, with investments in eco-friendly and responsible tourism projects.
- **Resilience:** Investments aimed at building resilience in the tourism sector to withstand future crises, such as pandemics or natural disasters.

Current Investor Priorities

- **Flexibility:** Investors are looking for flexible and adaptable projects that can quickly respond to changing market conditions.
- **Digital Transformation:** Emphasis on digital solutions to enhance the tourist experience and streamline operations.
- **Sustainable Growth:** Continued focus on sustainable and responsible tourism practices to ensure long-term viability.

Focus on the Pacific Region

As an emerging region, the Pacific possesses unique attributes that differentiate it from other markets. This presents a significant opportunity for investors looking to tap into markets with high growth potential and unique, untouched assets.

Biodiversity and Natural Beauty:

- The Pacific offers unmatched marine biodiversity, with many UNESCO-listed sites and abundant natural beauty, attracting nature-focused tourists.
- This positioning is crucial as global interest in eco-tourism continues to grow, and it presents opportunities for investments in sustainable accommodations, eco-resorts, and marine tourism.

Rich Cultural Heritage and Indigenous Experiences:

- The diversity in Pacific Island cultures provides immersive experiences, from traditional arts to indigenous storytelling, that can only be found in these regions.
- Culturally-based tourism experiences are high-value, drawing tourists who are willing to pay for unique, meaningful interactions with local communities

Furthermore, the region has pioneered frameworks like the **Pacific Sustainable Tourism Policy Framework**, which serves as a guide for responsible tourism. This aligns well with investor interest in green growth.

- Example: Initiatives in Vanuatu and Samoa have shown that sustainable tourism is not only achievable but profitable, as these destinations receive recognition for their environmental stewardship.

Case Studies

Several investment avenues align well with both global trends and the Pacific's strengths:

Eco-Tourism and Sustainable Accommodation: There is rising interest in sustainable resorts and eco-lodges, which leverage the region's natural beauty while respecting environmental limits.

- *Case Study:* The eco-resorts in Vanuatu that utilize solar energy and employ local community members, offering authentic experiences.

Adventure and Marine Tourism: Our waters are ideal for diving, snorkeling, and fishing tourism. This segment also supports marine conservation efforts.

- *Case Study:* Dive resorts in Fiji and Samoa, which are among the highest-rated in the world, drawing divers and marine life enthusiasts.

Cultural and Heritage Tourism: Investments that enable local communities to lead cultural tours and provide traditional crafts and cuisine to tourists have proven successful.

- *Case Study:* Heritage tourism initiatives in Timor Leste are growing, spotlighting the rich cultural fabric and drawing interest from cultural tourism markets.

Case Studies (cont'd)



Emerging Markets

These countries are gaining attention for their unique cultural, natural, and adventure tourism offerings.

- Fiji
- Vanuatu
- Samoa
- and the Cook Islands:



Unique Attractions

Fiji: Coral Coast, Mamanuca Islands, Garden of the Sleeping Giant.

Vanuatu: Mount Yasur, Champagne Beach, traditional villages.

Samoa: To Sua Ocean Trench, Lalomanu Beach, traditional Samoan villages.

Cook Islands: Aitutaki Lagoon, Rarotonga, Te Vara Nui Village.



Investment Impact

Improved Infrastructure: Investments have led to the development of better transportation, hospitality services, and tourism facilities.

Sustainable Tourism Practices: Focus on eco-friendly and responsible tourism to preserve natural and cultural resources.

Economic Benefits: Increased international arrivals have boosted local economies and created jobs.

Challenges and Strategies to Enhance Investment in Pacific Island Countries



Political and Economic Instability

Risks: Political changes and economic volatility can deter investors due to the uncertainty they bring.

Mitigation: Investors often seek political risk insurance and conduct thorough risk assessments before committing to projects.



Infrastructure Limitations

Transportation: Many Pacific islands have limited transportation infrastructure, making access difficult for tourists.

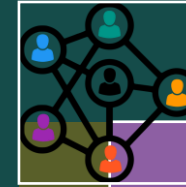
Hospitality: There is a need for more high-quality hotels and resorts to accommodate increasing tourist numbers.



Environmental Vulnerability

Climate Change: Pacific islands are particularly vulnerable to the impacts of climate change, such as rising sea levels and extreme weather events.

Natural Disasters: Frequent natural disasters like cyclones can disrupt tourism and damage infrastructure.



Cultural and Social Barriers

Local Resistance: Some local communities may resist tourism development due to concerns about cultural preservation and social impacts.

Engagement: Successful projects often involve engaging with local communities, respecting cultural norms, and ensuring that tourism benefits are shared locally.

Challenges and Strategies to Enhance Investment in Pacific Island Countries

Despite the appeal, challenges like limited infrastructure, connectivity issues, and skills gaps need to be addressed to attract and sustain investment.

Infrastructure and Connectivity: Developing the necessary infrastructure to support tourism is crucial. Projects like the Pacific Aviation and Connectivity Preparedness program aim to address these gaps by improving inter-island transportation and digital infrastructure.

Strengthening Policy Support: Training and development programs to upskill local workers are vital. This ensures communities can actively participate in tourism and benefit from long-term career opportunities. SPTO is working to develop e-learning and capacity-building initiatives to strengthen the Pacific's tourism workforce.

Creating Harmonized Investment Policies: Policy alignment across Pacific nations could make the region more attractive to investors, by creating a cohesive investment landscape that's easy to navigate.

Milestones in Pacific Island Tourism Investment

Post-COVID Recovery

- **Resilient Growth:** Despite the challenges posed by the COVID-19 pandemic, Pacific island countries have shown resilience and adaptability in their tourism sectors.
- **Recovery Initiatives:** Governments and private sectors have implemented recovery plans focusing on health and safety, marketing campaigns, and infrastructure improvements to attract tourists back.

Noteworthy Investments

Luxury Resorts: Significant investments in luxury resorts and eco-friendly accommodations have been made in Fiji, Vanuatu, Samoa, and the Cook Islands.

- **Example:** The development of the Six Senses Fiji resort, which emphasizes sustainability and luxury.

Eco-tourism Projects: Investments in eco-tourism initiatives that promote sustainable travel and conservation.

- **Example:** The establishment of eco-lodges and marine conservation projects in Vanuatu.

Adventure Tourism: Growth in adventure tourism offerings, such as diving, hiking, and cultural tours.

- **Example:** Expansion of adventure tourism activities in Samoa, including guided tours and eco-adventures.

Milestones in Pacific Island Tourism Investment

Regional Cooperation

- **Collaborative Efforts:** Pacific island countries are working together to promote the region as a unified tourism destination.
 - **Example:** The South Pacific Tourism Organisation (SPTO) initiatives to market the Pacific islands collectively.
- **Shared Resources:** Pooling resources for marketing, training, and infrastructure development to enhance the overall appeal of the region.

Encouraging Further Investment

Policy Support

- **Favorable Policies:** Implementing tax incentives, subsidies, and streamlined regulations to attract foreign and domestic investments.
- **Government Initiatives:** Programs and initiatives by governments to support tourism development and promote investment opportunities.

Public-Private Partnerships

- **Collaborative Projects:** Encouraging partnerships between governments and private sector investors to fund and develop tourism infrastructure and services.
- **Shared Risks and Benefits:** Public-private partnerships help distribute risks and benefits, making investments more attractive and feasible.

Marketing and Promotion

- **Global Campaigns:** Launching international marketing campaigns to highlight the unique attractions and investment opportunities in Pacific island countries.
- **Digital Presence:** Enhancing online presence through social media, websites, and virtual tours to reach a broader audience.

Capacity Building

- **Training Programs:** Investing in training and upskilling the local workforce to improve service quality and meet international standards.
- **Community Engagement:** Involving local communities in tourism development to ensure that benefits are widely shared and culturally appropriate.

Future Outlook

Emerging Market Potential

- Growth in regions like Southeast Asia and Africa.
- Increasing middle-class population driving tourism demand.
- Opportunities in untapped and developing areas.

Technological Advancements

- Integration of AI, IoT, and blockchain in tourism operations.
- Advancements in renewable energy technologies.
- Enhanced tourist experiences through technology.

Sustainable Tourism

- Rising demand for eco-friendly and responsible travel options.
- Development of sustainable tourism infrastructure.
- Policies promoting environmental conservation and community benefits.

Investment Opportunities

- High potential in green energy and eco-tourism projects.
- Investment in smart city developments and digital transformation.
- Opportunities in health and wellness tourism.

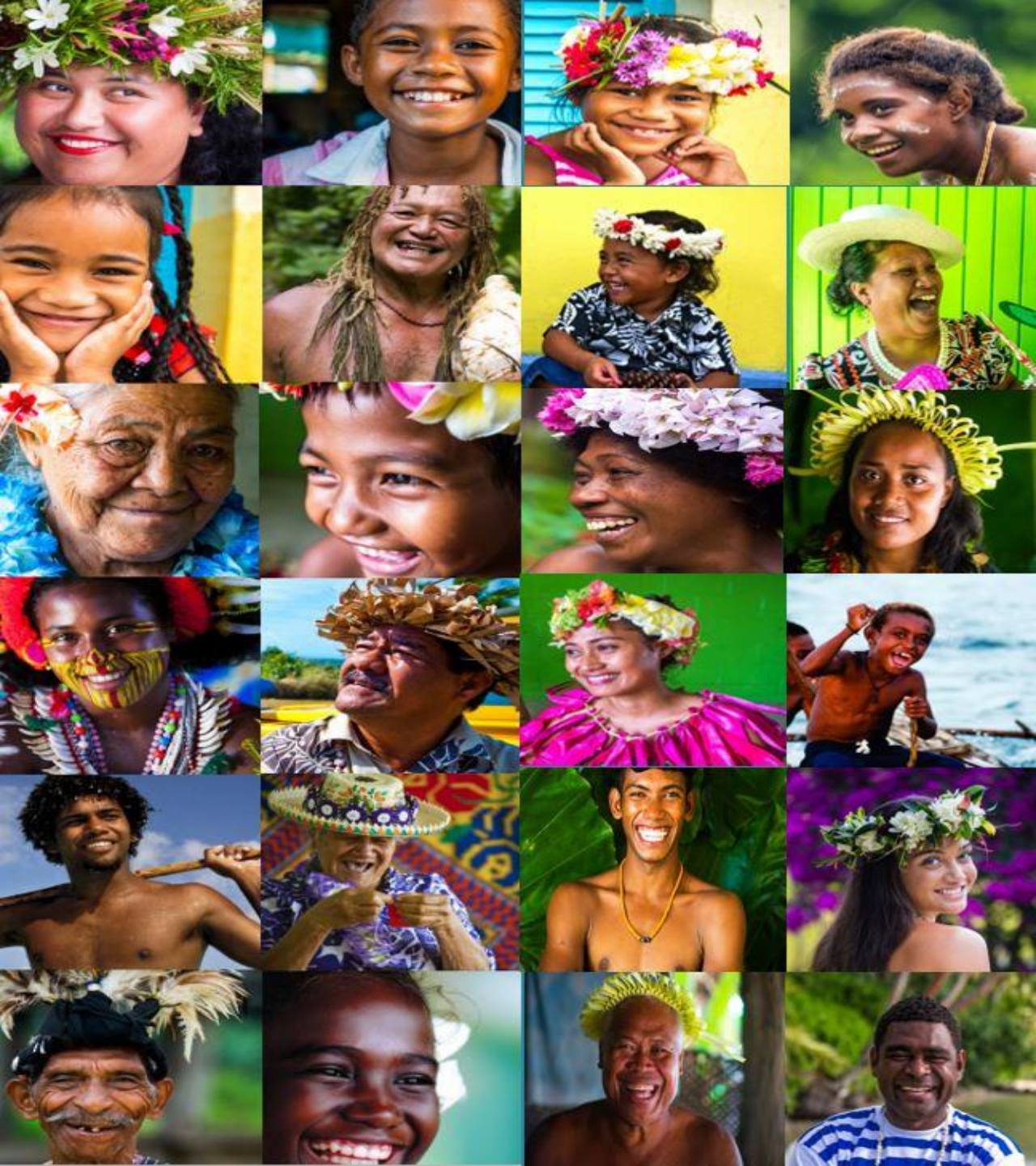
Conclusion

Summary of Key Points

- **Global and Regional Investment Trends:** Highlighted the shift towards sustainable and health-conscious travel post-COVID, with increased interest in remote and less crowded destinations.
- **Evolving Investor Focus:** Emphasis on sustainability, technology integration, and health and safety in tourism investments.
- **Challenges and Opportunities:** Discussed the limited infrastructure, complex regulations, and climate vulnerability in Pacific Island countries, along with the potential for growth through strategic investments.

Importance of Strategic Investment

- **Sustainable Tourism Development:** Strategic investments are crucial for developing eco-friendly and resilient tourism infrastructure.
- **Economic Growth:** Investments drive economic diversification, increase foreign exchange earnings, and create employment opportunities.
- **Community Benefits:** Improved local infrastructure and community development through tourism investments.



Thank You

www.southpacificislands.travel

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