



Papua New Guinea

A MILLION DIFFERENT JOURNEYS

Visitor Arrivals REPORT

2021



Papua New Guinea

A MILLION DIFFERENT JOURNEYS

Tourism Promotion Authority



Tufi Village, Oro Province. T. Dersch

Cover: Ela Beach, Port Moresby. D. Kirkland

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1.1 Introduction

The last two years (2020 and 2021) have been the most challenging years in the history of tourism worldwide as a result of the unprecedented impact of the COVID-19 pandemic on global tourism, with restrictions on travel, low consumer confidence and a global struggle to contain the COVID-19 virus, all contributing to the worst years on record in the history of tourism worldwide.

This report presents the trends and market analysis of all short-term international visitors to PNG in 2021, emphasizing more on the holiday market. 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 trends to see historical performance of tourism in the year compared to the previous years. Additional marketing briefs are also included to compliment the arrival trends from the key source markets and geographical regions.



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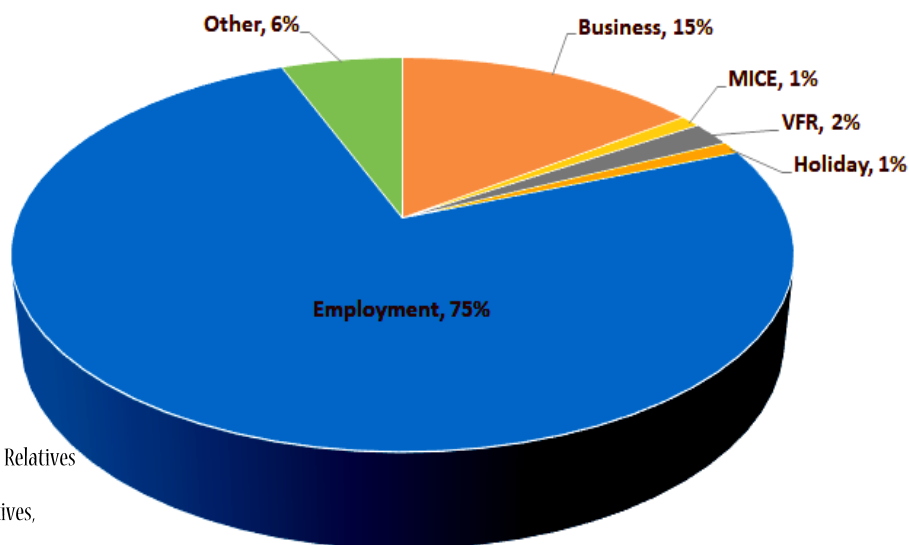
1.2 Executive Summary

In light of the severe impacts that the COVID-19 pandemic has had on the tourism sector, Papua New Guinea received 16,846 international visitors in 2021. This was a drop of 57% or 22,000 less international arrivals compared to 38,940 arrivals received in 2020. Holiday arrivals to the country fell by 97% in 2021. Business, VFR, MICE and Employment related arrivals to the country also dropped by big margin during the year, and at the same time, cruise tourists dropped by 100% as there were no cruise ships visiting the

country in 2021.

Out of the total arrivals, 15% came for business, 1% on holiday, 2% came to visit friends and relatives, 75% came for employment, 1% MICE and the remaining 6% visited the country for other reasons. The poor performance in tourist arrivals to the country is a direct result of the COVID-19 pandemic and international arrival numbers are expected to remain low in the next two years and pick up slowly afterwards.

Percentage Distribution by Purpose of Visit—2021



Acronyms:

VFR: Visiting Friends & Relatives

MICE: Meetings, Incentives,
Conferences & Exhibitions

Holiday Arrivals from the key source markets also dropped by big margin in 2021

Australia	-	98% Drop
America	-	100% Drop
Japan	-	100% Drop
Germany	-	99% Drop
United Kingdom	-	97% Drop
Canada	-	100% Drop

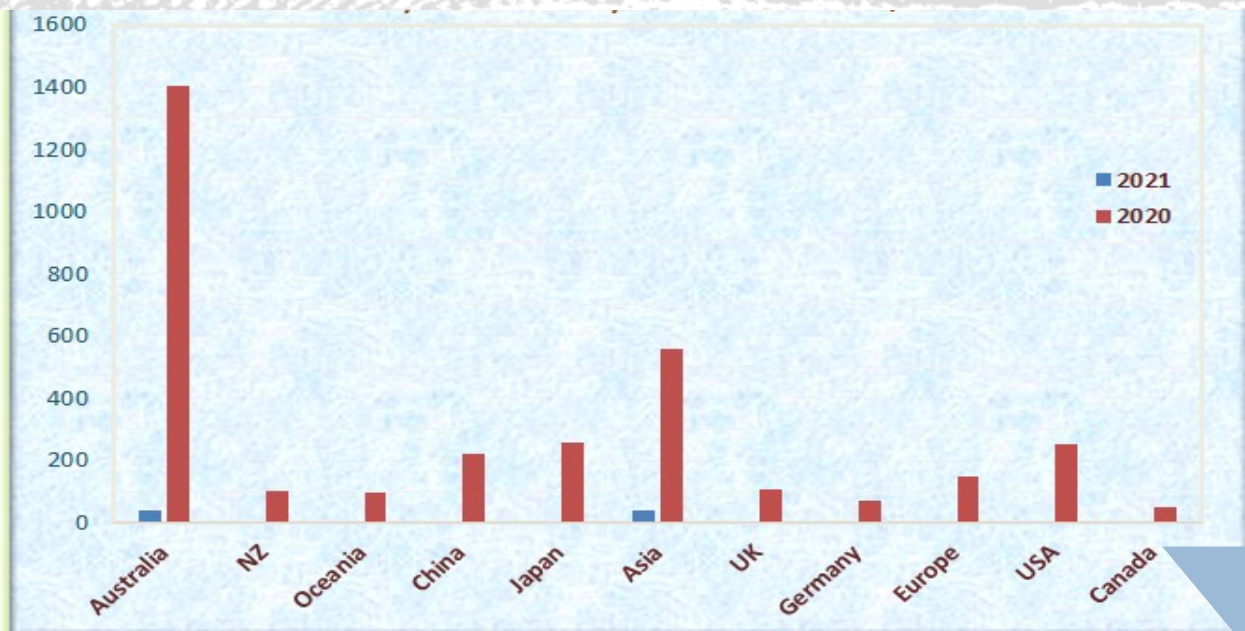
China	-	90% Drop
France	-	98% Drop
New Zealand	-	97% Drop
Malaysia	-	95% Drop
Singapore	-	100% Drop
Philippines	-	89% Drop

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Holiday Arrivals by Source Market—2021/2020

Country	2021	2020	Change	% (-/+)
Australia	23	1,405	-1,382	-98
New Zealand	3	102	-99	-97
Oceania	5	97	-92	-95
China	4	221	-217	-98
Japan	0	260	-260	-100
Korea	1	59	-58	-98
Malaysia	5	97	-92	-95
Singapore	0	20	-20	-100
Philippines	22	201	-179	-89
Indonesia	1	25	-24	-96
India	9	76	-67	-88
Other Asia	4	80	-76	-95
United Kingdom	3	109	-106	-97
Germany	1	73	-72	-99
France	0	37	-37	-100
Netherlands	0	21	-21	-100
Other Europe	1	93	-92	-99
USA	1	253	-252	-100
Canada	0	51	-51	-100
Other America	0	20	-20	-100
Africa	0	26	-26	-100
Russia	2	11	-9	-82
Italy	0	13	-13	-100
Scandinavia	0	25	-25	-100
Chile	0	0	0	0
Israel	0	23	-23	-100
Total	85	3,398	-3,313	-97

Holiday Arrivals by Source Market—2021/2020



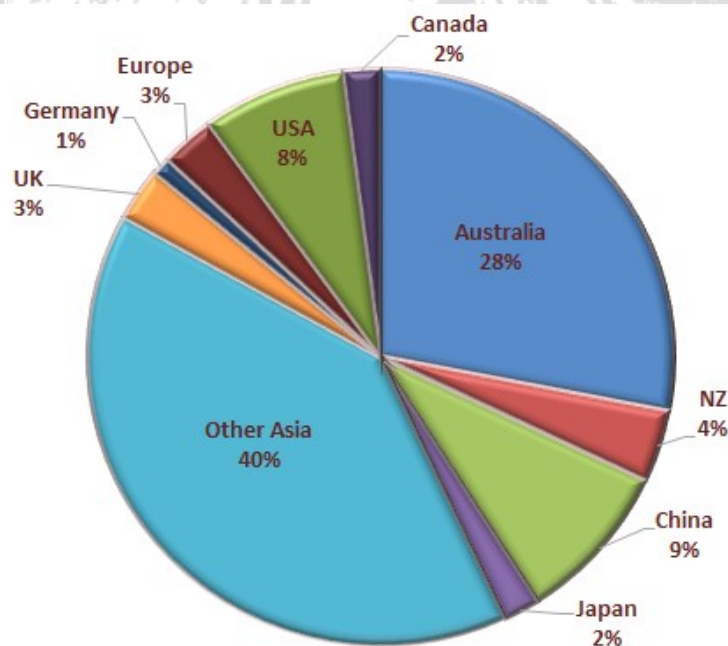
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1.3 Market Share Distribution

On the total arrivals, Asian market represented 40 per cent of the arrivals, followed by Australia (28%), China (9%), USA (8%), NZ (4%), UK and total Europe at 3% each, Japan and Canada with (2% each), while Germany contributed 1% of the total arrivals to PNG.

Market share from Australia, Germany, UK and Japan decreased immensely as a result of the second wave of COVID-19 Pandemic in 2021. Most of the visitors came to PNG for employment and business reasons.

Visitor Arrivals Share by Source Market—2021



Acronyms:

UK: United Kingdom

NZ: New Zealand

USA: United States of America

Apec House, Port Moresby NCD

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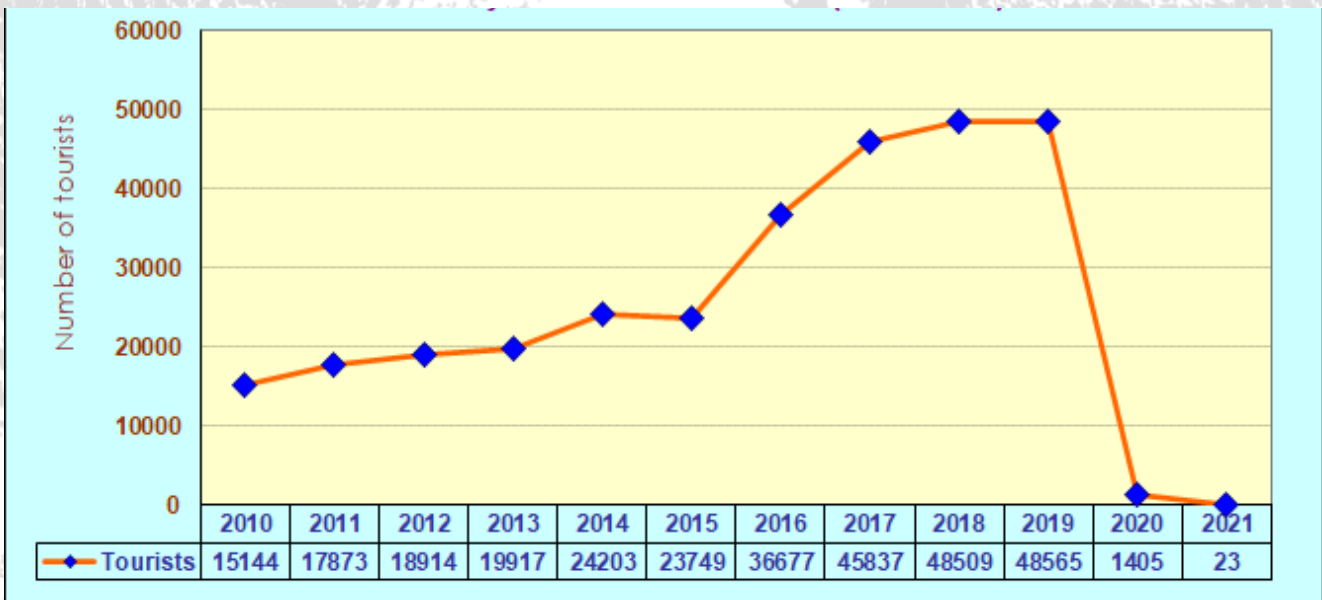
1.4 Source Market Performance

AUSTRALIA MARKET

The Australian market is the highest single source market for Papua New Guinea over the years. It accounts for more than 50 percent of the total arrivals to Papua New Guinea.

However, the total holiday arrivals from Australia dropped by 98% in 2021, while business and other arrivals also dropped compared to 2020 arrivals from the market.

Holiday Arrivals from Australia (2010 - 2021)



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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.

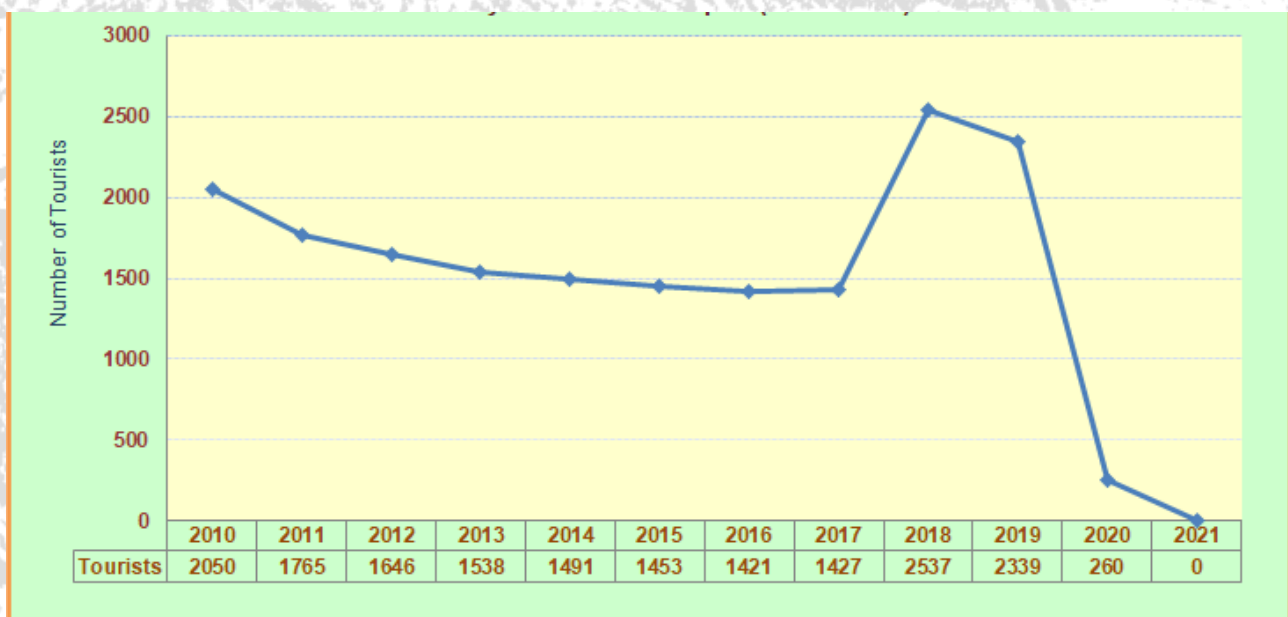
Since 2011, holiday arrivals from Japan started to drop

and remained stagnant over the years. This was the result of the chain of disasters that was 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, it slightly decreased again in 2019, and dropped sharply in 2020 and 2021 as a result of the Covid-19 pandemic.

Annual holiday arrivals from Japan Market (2010 - 2021)



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NORTH AMERICAN MARKET

The North American market collectively generates about 7% of the aggregate arrivals to Papua New Guinea.

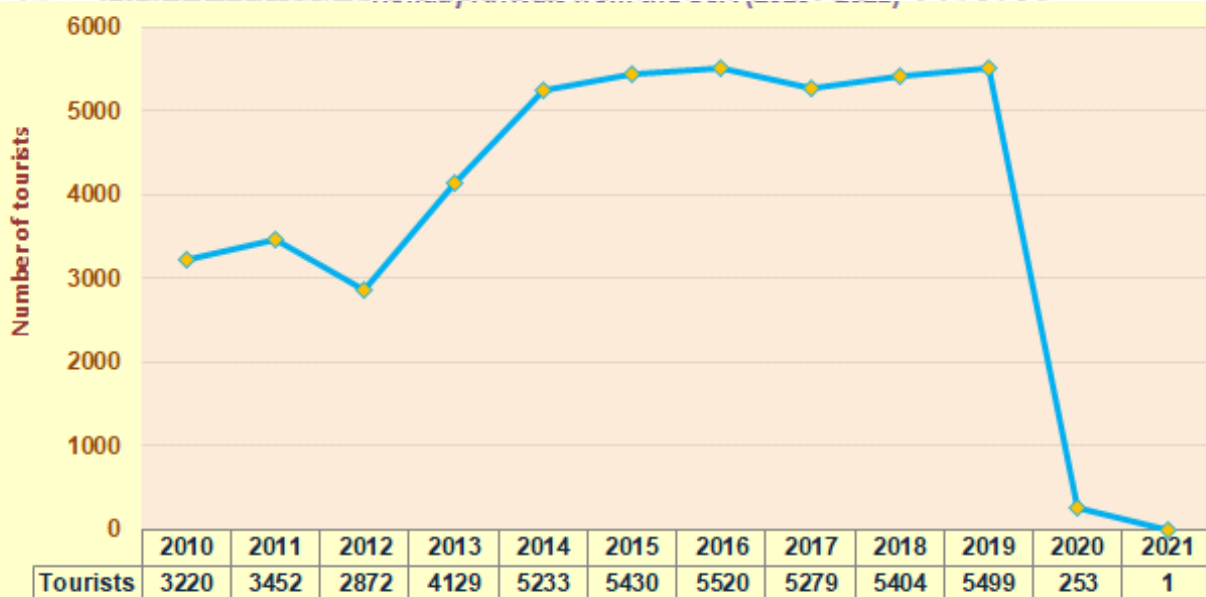
Between 2003 and 2009, total arrivals from the US increased by around 88 percent, and in 2009 arrivals from the market declined by 14 per cent, with arrivals being slightly impacted by the financial crisis in the United States. In 2010 arrivals picked up well and recorded an increase of 26 percent after 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 travelers 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 travelers and awareness remains low. In US and Canada, interest in Papua New Guinea is strong, but due to the recent coronavirus threats around the world, arrivals from USA and Canada dropped sharply in 2020.

Annual holiday arrivals from the American Market (2010 - 2021)

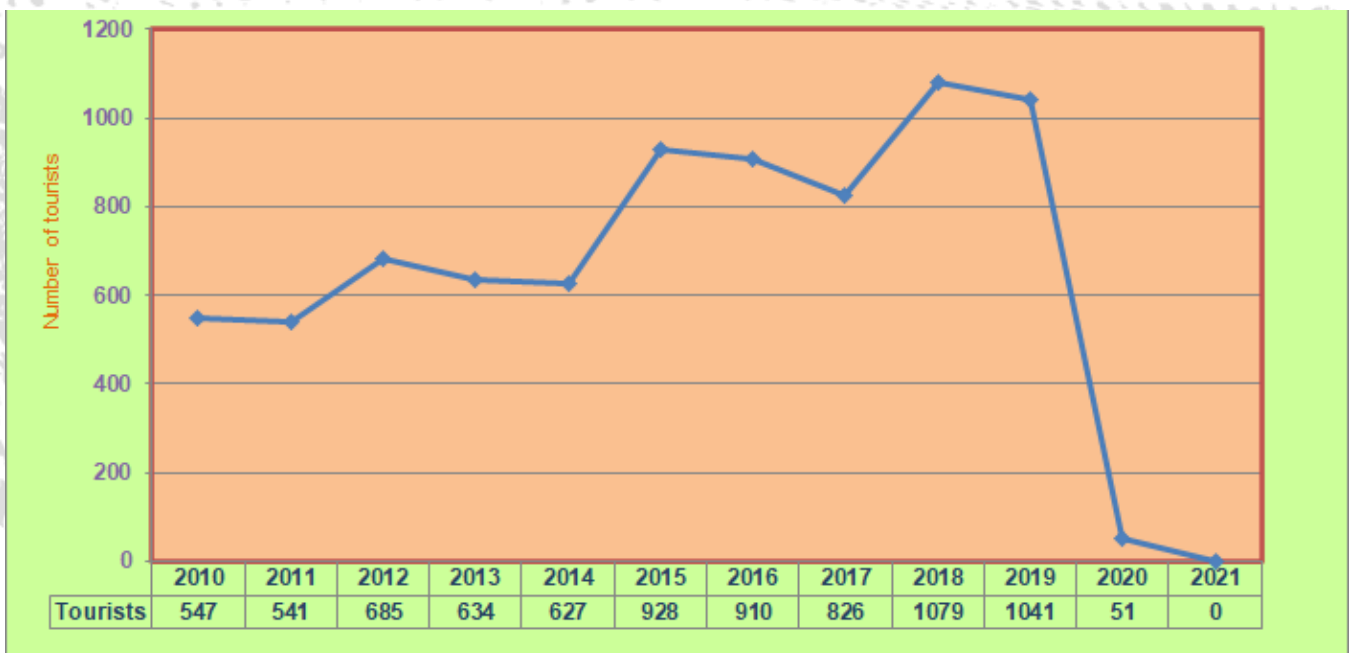


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As it can be seen from the graph, the trend in holiday arrivals from the US market maintained a steady growth from 2012 to 2016, but slightly dropped in 2017 due to the general election and picked up again in 2018

and 2019. In 2021, holiday arrivals from the USA market dropped to the lowest by 100 percent compared to the previous year. Below is a similar holiday arrival trends for the Canadian market.

Holiday arrivals from Canada (2010 - 2021)



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EUROPE MARKET

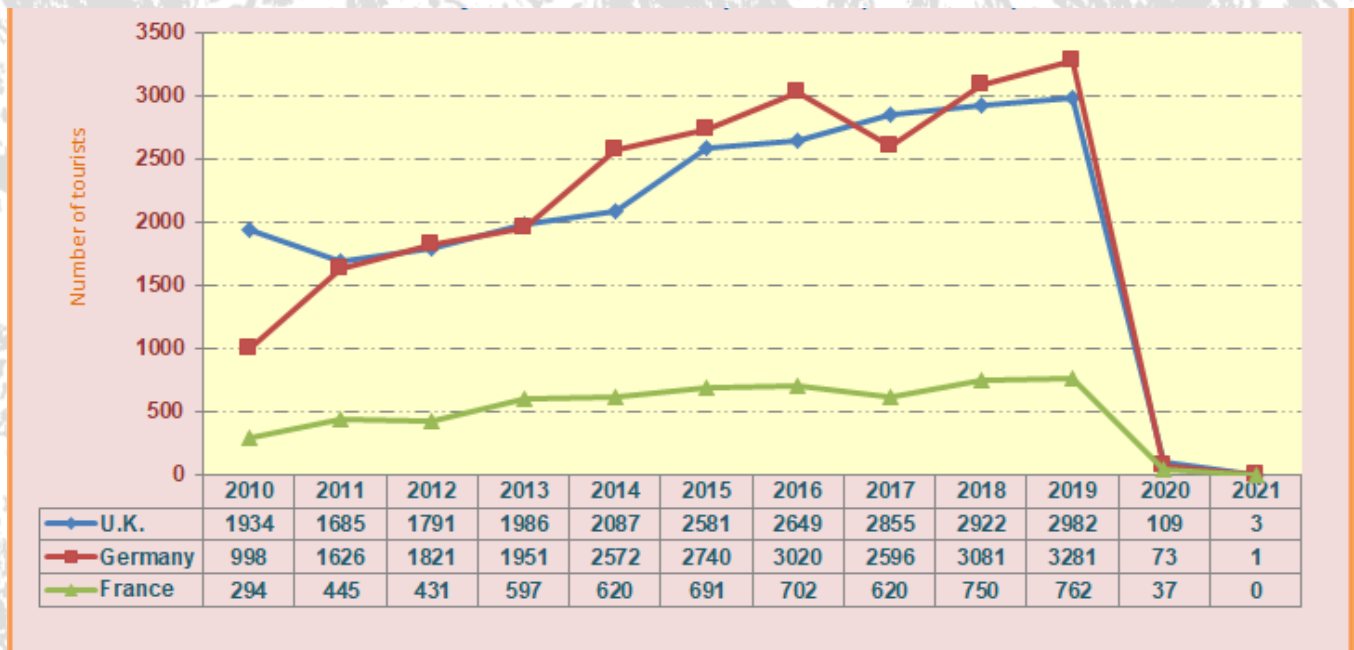
Europe is a valuable holiday market for Papua New Guinea with long-staying visitors who like to engage in multiple activities. The Europe market comprise of the United Kingdom, Germany, France, Netherlands and other smaller contributing European markets.

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 years, despite the negatives, many present good growth opportunities for the Papua New Guinea Tourism Industry.

In 2021, holiday arrivals from Europe posted a negative growth as a result of the COVID-19 Pandemic.

Annual holiday arrivals from the Europe (2010 - 2021)



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 in the previous years.

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CHINA 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, arrival from China has been performing well in the past.

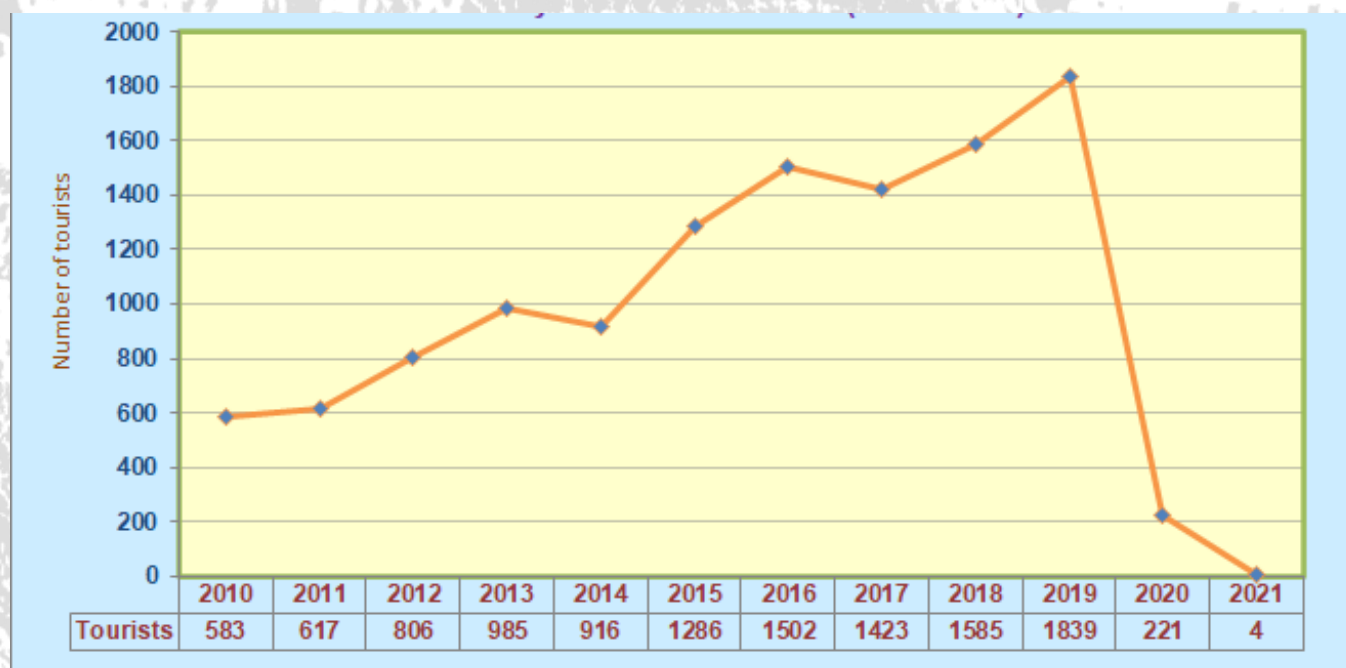
After a drop in 2017, outbound travel has started to rebound, and more Chinese were travelling overseas for holidays than ever before, with 2019 showing an increase in holiday arrivals to Papua New Guinea. Contributing factors are renewed confidence after the In-

fluenza A (H1N1) Swine Flu and more flights in and out of Asia.

The healthy growth recorded in 2019 had slowed down since 2020 as a result of the coronavirus threat in China and around the globe. However, the outlook of the Chinese outbound market remained low and arrival from this market is expected to slow down this year.

PNG TPA's new marketing plans to carry out marketing activities in Chinese Language will boost tourist arrivals from the market in the future.

Annual holiday arrivals from the China Market (2010 - 2021)



OTHER ASIAN MARKETS

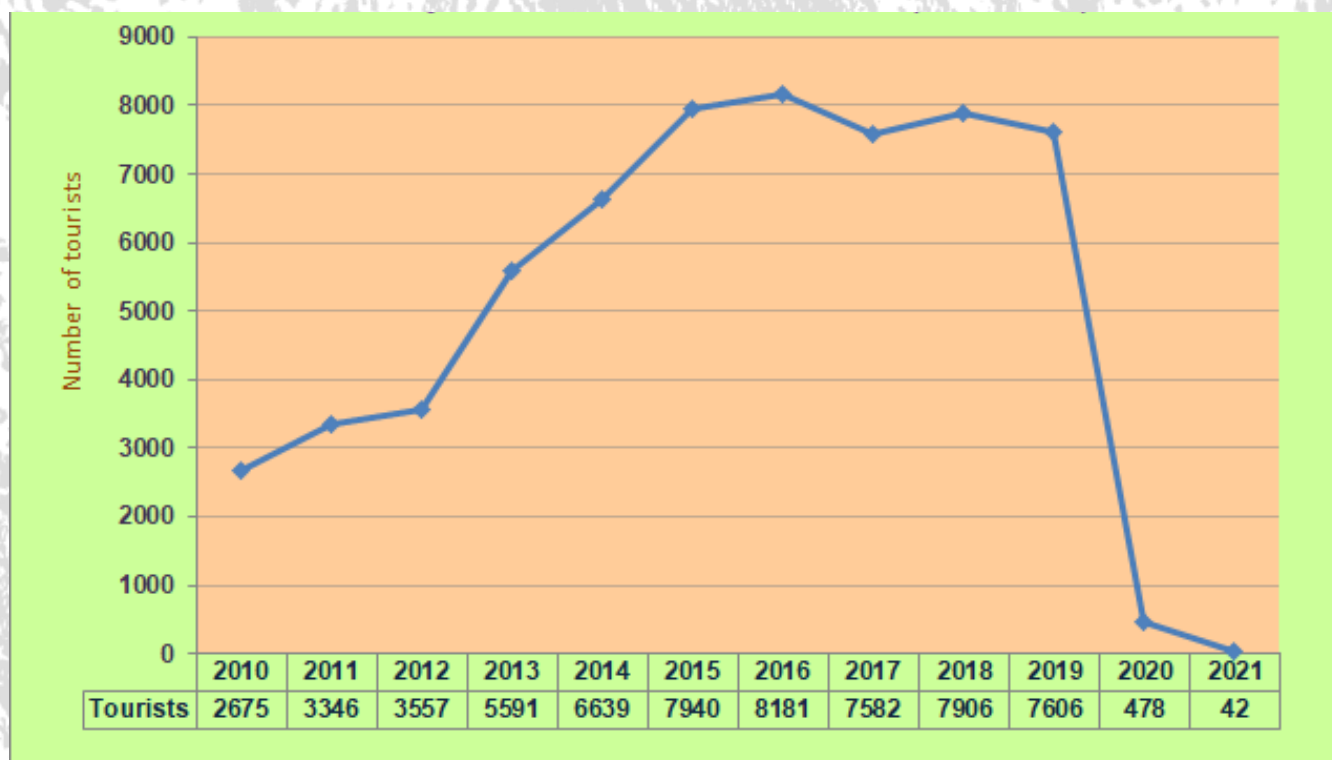
The other Asian markets collectively represent over 20 percent of the total arrivals to PNG. In 2021, holiday arrivals from the other Asian countries decreased by 95 percent compared to the previous year. Most of the visitors from the Asian market visited PNG for business and employment reasons.

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.

Annual holiday arrivals from the Asian Market (2010 - 2021)



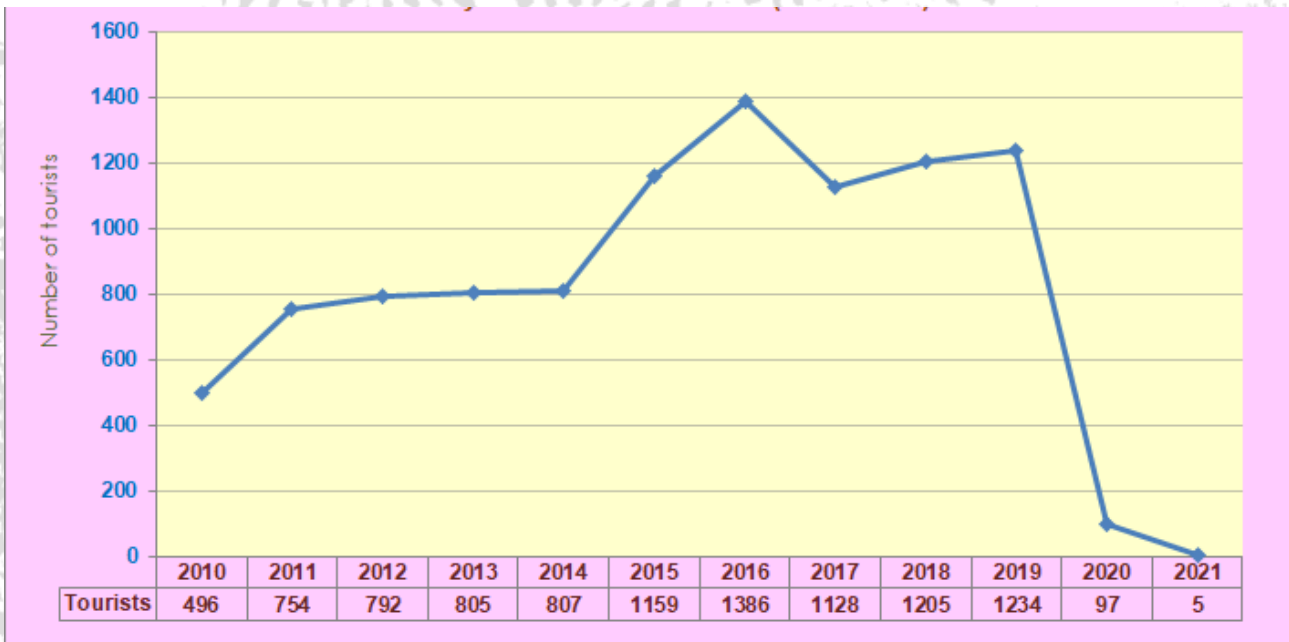
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OCEANIA MARKET

Total arrivals from Oceania in 2021 decreased by 95 per-cent compared to the total arrivals in 2020.

Most of the visitors from this market came for business and employment reasons.

Annual holiday arrivals from the Oceania Market (2010 - 2021)

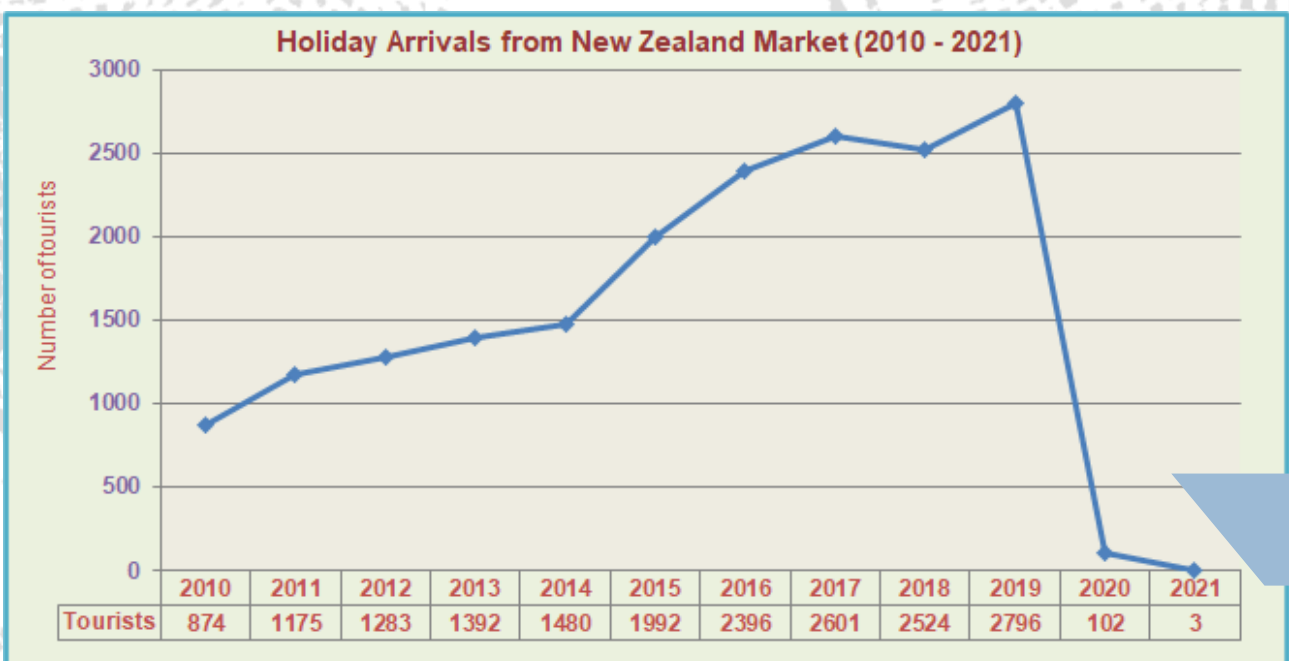


NEW ZEALAND MARKET

New Zealand contributes about 5 percent of the total arrivals to PNG. However, holiday arrivals

from this market also decreased in 2021 as a result of the COVID-19 Pandemic.

Annual holiday arrivals from the Oceania Market (2010 - 2021)



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1.5 Areas Visited by International Visitors in PNG

After experiencing a 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 maintained the upward trend by recording 210,980

international visitors, an increase of 8% compared to the 2018.

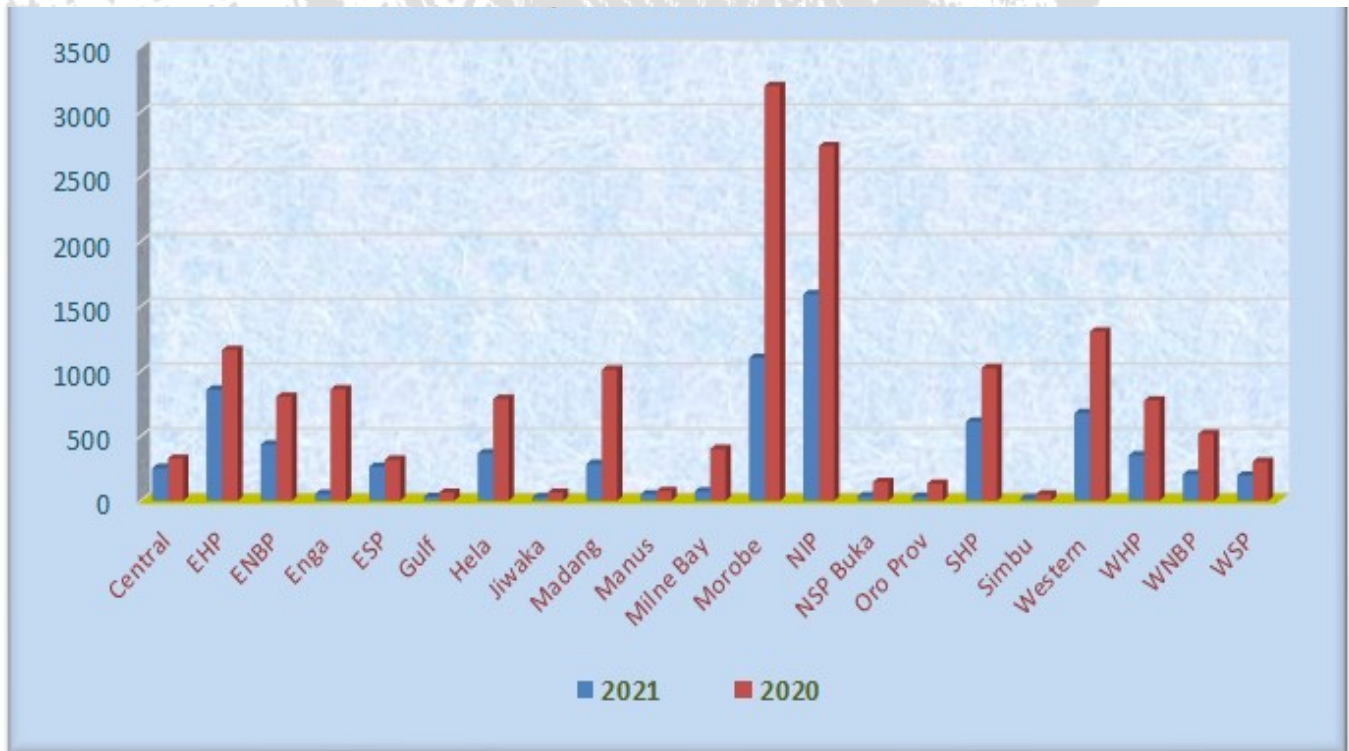
Healthy growth was seen from the holiday sector, however, international arrival around the world was hit hard by the Coronavirus Pandemic and most of the provinces in PNG recorded decrease in visitor numbers in 2020.

Main Areas Visited & Purpose of Visit - 2021

Province	Purpose of Visit							Total	Total	Change	% (+/-)
	Business	MICE	Holiday	VFR	Employment	Education	Other	2021	2020		
Central Prov	22	0	0	9	210	3	10	254	285	-31	-11
EHP	51	1	1	5	443	12	345	858	1,164	-306	-26
ENBP	30	0	7	9	363	1	24	434	803	-369	-46
Enga Prov	4	0	0	0	48	0	2	54	861	-807	-94
ESP	29	0	0	6	192	10	26	263	318	-55	-17
Gulf Prov	0	0	0	1	20	2	7	30	63	-33	-52
Hela Prov	65	0	0	1	294	1	7	368	786	-418	-53
Jiwaka Prov	3	0	0	0	12	1	11	27	63	-36	-57
Madang Prov	19	0	1	5	241	4	15	285	1,012	-727	-72
Manus Prov	26	0	0	1	22	0	2	51	75	-24	-32
Milne Bay Prov	10	0	0	2	56	0	6	74	400	-326	-82
Morobe Prov	112	1	5	23	912	7	43	1,103	3,200	-2,097	-66
NCD(POM)	1,519	14	55	324	6,689	77	641	9,319	22,833	-13,514	-59
NIP	142	3	0	10	1,403	4	32	1,594	2735	-1141	-42
NSP Buka	8	0	0	2	21	0	5	36	145	-109	-75
Oro Prov	2	0	0	0	29	0	1	32	224	-192	-86
SHP	67	1	1	0	518	2	23	612	1,023	-411	-40
Simbu Province	0	0	0	0	12	1	8	21	50	-29	-58
Western Prov	79	1	4	6	575	2	11	678	1,307	-629	-48
WHP	26	0	5	3	276	4	38	352	775	-423	-55
WNBP	19	0	4	2	161	2	17	205	517	-312	-60
WSP	4	0	2	1	177	0	11	195	301	-106	-35
Total	2,237	21	85	410	12,674	133	1,285	16,845	38,940	-22,095	-57

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Visitor Arrivals by Air to Provinces in PNG - 2021/2020



Goroka Show, Eastern Highlands Province

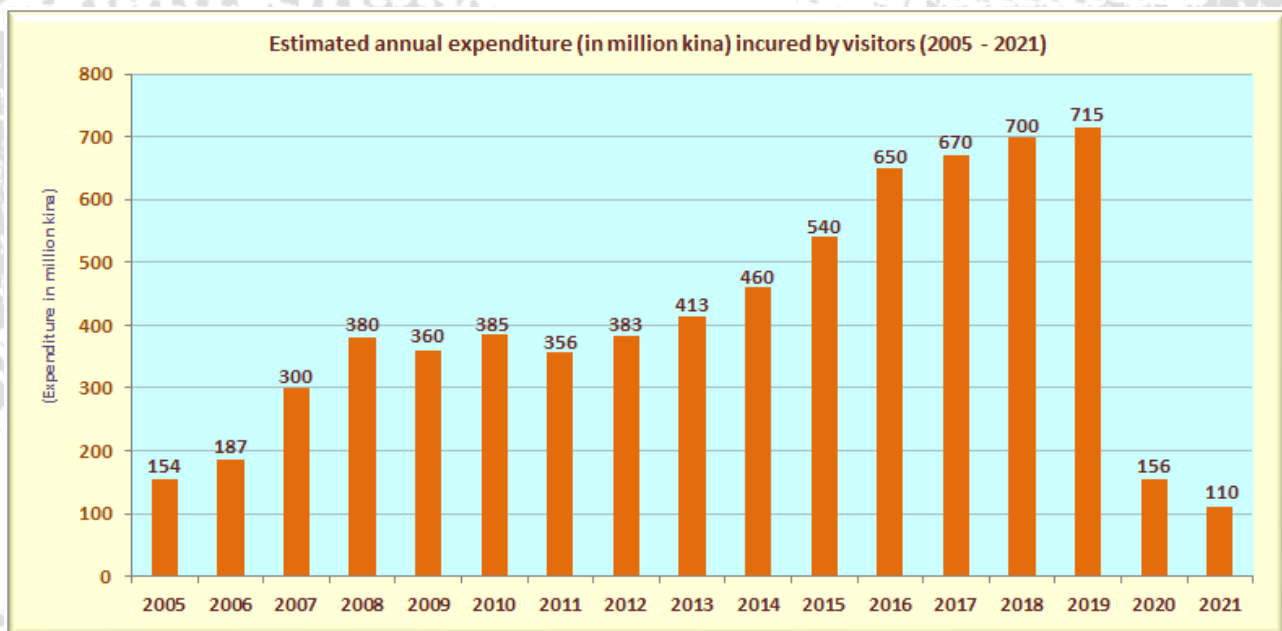
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1.6 Tourism Receipts (Estimate)

According to our International Visit Exit Survey

It was estimated that genuine visitors have spent a total of K110 million, a decrease of 30% or K46 million less spending in PNG compared to the amount spent by visitors in 2020.

The decrease in expenditure was a direct result of the lower number of visitors to the country in 2021.



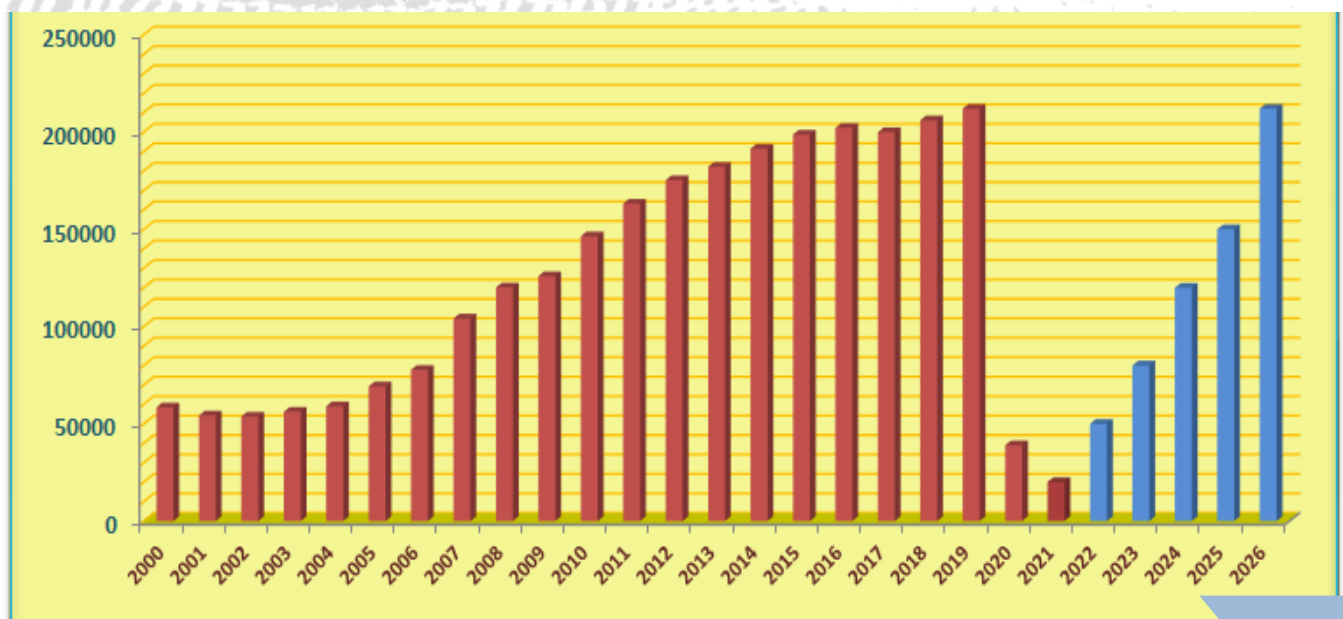
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2021 Visitor Arrival Summary Table

Visitors Arrival Analysis				Total - 2021		January - December							
Country	Busins	MICE	VFR	Holiday (Air)	Holiday (Cruise)	EmPLYnt	Educatr	Sports	Other	Total 2021	Total 2020	Change	% (+/-)
Australia	655	2	122	23	0	3276	31	0	163	4272	14871	-10599	-71
New Zealand	117	1	9	3	0	430	0	0	18	578	1922	-1344	-70
Oceania	29	1	13	5	0	150	14	2	36	250	1605	-1355	-84
China	126	2	39	4	0	1262	2	0	17	1452	2309	-857	-37
Japan	57	0	0	0	0	88	0	0	13	158	615	-457	-74
Korea	31	0	3	1	0	43	2	0	15	95	206	-111	-54
Malaysia	83	1	8	5	0	905	0	0	30	1032	1806	-774	-43
Singapore	15	0	4	0	0	51	1	0	3	74	264	-190	-72
Philippines	81	6	57	22	0	2727	13	0	155	3061	5518	-2457	-45
Indonesia	75	0	5	1	0	895	8	0	44	1028	877	151	17
India	71	1	54	9	0	759	15	0	87	996	1847	-851	-46
Other Asia	78	2	14	4	0	206	3	0	31	338	747	-409	-55
United Kingdom	112	0	8	3	0	308	2	0	38	471	1099	-628	-57
Germany	26	1	1	1	0	92	2	0	20	143	335	-192	-57
France	25	0	1	0	0	29	0	0	13	68	186	-118	-63
Netherlands	7	0	6	0	0	54	1	0	24	92	161	-69	-43
Other Europe	92	1	1	1	0	203	5	0	64	367	727	-360	-50
USA	348	2	32	1	0	513	24	0	404	1324	1884	-560	-30
Canada	35	0	2	0	0	167	2	0	24	230	441	-211	-48
Other America	22	0	3	0	0	54	2	0	21	102	242	-140	-58
Africa	71	1	22	0	0	335	6	1	41	477	816	-339	-42
Russia	29	0	4	2	0	45	0	0	12	92	125	-33	-26
Italy	17	0	1	0	0	26	0	0	5	49	111	-62	-56
Scandinavia	5	0	0	0	0	3	0	0	3	11	135	-124	-92
Chile	0	0	0	0	0	1	0	0	0	1	10	-9	-90
Israel	28	0	1	0	0	52	0	0	4	85	81	4	5
Total 2021	2235	21	410	85	0	12674	133	3	1285	16846	38940	-22094	-57
Total 2020	9149	531	2479	3398	0	21330	502	205	1346				
Change	-6914	-510	-2069	-3313	0	-8656	-369	-202	-61				
% (+/-)	-76	-96	-83	-97	0	-41	-74	-99	-5				

1.7 Tourism Arrival Trends & Forecasts (2022 - 2026)

Annual Visitor Arrival Trends (2000 - 2021)



Note: Bar trends in blue are forecasts

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Annual Visitor Arrival Trends (2000 - 2021)

The visitor arrival trends from 2005 to 2016 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 was 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 and 2019 as the PNG Tourism Promotion Authority 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. However, the worldwide tourism industry was hit hard by the COVID-19 Pandemic and international arrivals to destinations globally sank to the lowest in 2020 and 2021.

In the next two years (2022-2023), international arrival numbers are expected to pick up slowly and it is forecasted to pick up strongly in 2024 and by 2026 close to 200,000 international visitors will have visited Papua New Guinea, spending an estimated revenue of around K1.6 billion into the economy. The growth will be supported strongly by the implementation of the TPA plans and Air Niugini's plan to expand its flight services to other international and domestic destinations.

Increased marketing activities and packaging of new tourism products by TPA and the tourism industry partners will also determine our predicted growth in visitor arrival numbers to PNG.

According to UNWTO, destinations around the world continued to report very weak tourism arrivals and revenues in 2021, and Asia and the Pacific suffered the weakest results during the pandemic period, with a 95% drop in international arrivals compared to 2019. The Middle East (-82%) recorded the second largest decline, followed by Europe and Africa (both -77%) and the Americas at (-68%) drop.

The safe resumption of international tourism will continue to depend largely on a coordinated response among countries in terms of travel restrictions, harmonized safety and hygiene protocols and effective communication to help restore consumer confidence. This is particularly critical at a moment when cases are surging in some regions and new Covid-19 variants are emerging in different parts of the world. Therefore, it is important at this time to take proactive steps to grow domestic tourism to help our tourism industry recover and survive during this difficult time, whilst we continue to maintain online presence to connect with our potential international tourists/visitors.

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1.8 Conclusion

PNG after experiencing a healthy growth in visitor arrival numbers in the past, numbers declined sharply in 2020 and 2021 as a result of the Covid-19 pandemic that brought down the tourism industry worldwide to its lowest on record.

However, as many destinations are now starting to re-open their international borders and allowing fully vaccinated tourists/visitors to travel, arrival numbers may slowly start to pick up again this year.

Therefore, we must be prepared to meet the demand/needs of our visitors because travel patterns and product needs in the markets are fast changing and destinations around the world are now adapting to the new changes to remain competitive in the market place.

As such, TPA must work closely with tour operators and product owners to diversify the current tourism products and develop new tourism packages to meet the demand/needs of our tourists.

*Sunset, Raukai Village, Hula Central
Province*

Prepared by:



Papua New Guinea

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Papua New Guinea Tourism Promotion Authority**



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