



MONTHLY MARKET WATCH

Issue Two - February 2011

PAPUA NEW GUINEA TOURISM PROMOTION AUTHORITY

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Introduction

This is our January 2011 issue of the *Monthly Market Watch* produced by the Papua New Guinea Tourism Promotion Authority to provide the tourism industry partners with monthly up-to-date information on the trends and situations in the key source markets. It will be informative and relevant to the Papua New Guinea Tourism Industry in this rapidly changing environment. The information is designed to help individual tourism businesses understand the current tourism environment, benchmark their performance against the wider market, and plan for the future with greater confidence to improve their tourism market share.

Performance in January 2011

Our January 2011 arrivals data shows that there were 13,338 international arrivals to Papua New Guinea, an increase of 16% or an additional 1,849 arrivals compared to the 1,489 arrivals in January 2011, with holiday arrivals showing strong growth by 17% or 1,701 compared to the 1,445 holiday arrivals recorded in January 2010. Most of our key source markets performed well, and the healthy trend is expected to continue throughout the year.

Australian Market Overview & Marketing Activities

The Australian appetite for travel remains high, with the strong dollar and low-priced airfares all fuelling interest in international travel. There is a great deal of interest in Papua New Guinea and tactical marketing activities in the market by the PNG Tourism Promotion Authority and industry partners look set to deliver growth in holiday arrivals in 2011. In January 2011, holiday arrivals to Papua New Guinea from Australia increased by 7 per cent compared to the same period last year. This confirms the recovery trend seen in 2010 and is expected to continue in the remaining months of the year at a somewhat more moderate rate. Australia continues to remain Papua New Guinea's largest inbound tourism market, accounting for over 50 per cent of the total arrivals. Papua New Guinea has benefited from a high profile, good air access, a favourable exchange rate and strong word of mouth in 2010, with visitor arrivals showing growth in 2010.

One of the drivers of expected growth is PNG's gradual transition from a destination that Australians would like to visit someday to one they intend to visit soon. Another driver is the high rate of repeat visitation: around three quarters of Australian visitors have been to Papua New Guinea before. Dry season from April-October is the peak season for Australian trekkers, but marketing by Papua New Guinea Tourism Promotion Authority and other industry players has helped make Papua New Guinea a popular year-round destination. Recent growth has been season across all seasons. Good numbers of Australians visited Papua New Guinea for other activities like diving, surfing, bird watching and cruising. The PNG Tourism Promotion Authority office in Sydney runs a range of campaign activity in Australia, including television advertising, online marketing and PR. The office is working closely with regions, airlines, operators and travel sellers to promote Papua New Guinea. Australians are confidently researching and booking Papua New Guinea holidays online and our marketing activities in this market makes the most of digital media channels.

The internet has become the most popular method used by Australian to book holidays, according to a survey released by Roy Morgan Research. The boost in online bookings was paralleled by a decline in booking by phone or in person, with telephone bookings down to 25% (from 29%) and the proportion booking in person declining to 17% from the previous 20% three years ago. There was also a slight increase in bookings via e-mail, up two points to 8%, (Travel Daily Reports).

The PNG Tourism Promotion Authority has run continuous campaign activity in Australia since the TPA Sydney Office was opened in 2007, with a number of joint-venture marketing initiatives with the PNG tourism industry partners. Combined with high profile PR activity, strong partnership with the industry and word-of-mouth campaign from past travellers, Papua New Guinea continues to have high visibility in the market and remains a choice for Australian holiday-makers. The PNG Tourism Promotion Authority Office in Sydney has launched a new TPA Australia face book & twitter page in early 2010. Both are servicing as a platform to support and carry out internet marketing activities in the Australia and New Zealand markets, where the use of internet is high. The Sydney office will continue its efforts to sustain growth in Australian and New Zealand arrivals across all seasons, encouraging repeat visits and growing the number of first-time travelers.

In January 2011, TPA Sydney office staff were busy getting their programs for 2011 in order and achieved the following key marketing activities:

(a) **Bimonthly Newsletter**

- Drafted the bimonthly newsletter for distribution among trade in January.

(b) **The Biggest Loser Project**

- The TPA Sydney office conducted meetings with the Biggest Loser on numerous occasions to discuss the project and logistics in detail.
- Liaised with Alan Manning from South Sea Horizons and Brian Freeman from Adventure1000 regarding the shoot logistics.
- Organized crew visas with the Biggest Loser.
- Coordinated charter and scheduled flight option for shoot and advance team. Discussed options with airlines and obtained detailed quotes.
- Arranged flights for Alan Manning's planning visit to PNG.
- Worked on budget and presented to PNG TPA Head Office.
- Coordinated logistics and transport in PNG for shoot.
- Liaised with PNG TPA regarding insurance coverage for the shoot.
- Liaised with the Biggest Loser and accommodation regarding rooming lists.
- Managed process with the Biggest Loser and operators to cancel the shoot.

(c) **Kokoda Rangers placement in Boderee Park**

Liaised with the Kokoda Track Authority and the Heritage Division of the Department of Sustainability, Environment, Water, Population & Communities (DSEWPC) in order to draft a press release and advise on the best media strategy for the Kokoda Rangers Placement story.

Contacted Nowra local paper (South Register Courier) and arranged an interview with Boderee Park Manager and a photo opportunity with the Kokoda rangers.

Sent picture of Australian Minister Tony Burke with Kokoda Rangers to TPA head office for distribution within PNG local media.

Launched a news released on the 17 of January to Australian media.

Liaised with Koori mail, Australian Associated Press, and ABC Radio in order to provide further information, images, and arrange interviews with spokes persons.

Updated KTA and DSEWPC on media coverage.

(d) Kokoda Celebrity Campaign

- On standby during January due to the Biggest Loser Project.

(e) Kokoda Tour Operators Media Training

- Requested availability and estimation of cost for a 1-day media training course in Sydney from Robert Luttrell (Luttrell Associates).

(f) Media Liaison

- Provided Paul Manias (Editor-Spirit of Regional Australia Magazine) with editorial content and images to accompany the ad to be included in the Autumn issue of the publication.

(g) Meetings

- Since PNG is gaining more momentum in the Australia and New Zealand markets, it will be key in 2011 to work even more closely with the industry and develop targeted marketing activities contributing to our overall objective of increasing arrivals numbers. TPA Aus is currently in talks with different parties for the development of co-op campaigns.

GTI Tourism had the following meeting on behalf of PNGTPA:

- GAP Adventures–Lisa Warner and Nathalie Whinston;
- Adventure World–Dan Penner;
- Air Niugini–Trish (SYD) & Annemarie (Cairns);
- Air lines of PNG–Linda Honey;
- Expedia–Drew Bowering and Fabio Ribeiro;
- Wotif–David Callan;
- Niugini Holidays–Ruth Dicker and Karen Davies;
- Cairns Airport–Jana Stankovic;
- Royal Caribbean Lunch–Karen Davies and team;
- PNG Holidays–Andrew and Vyvyon;
- Shine production steam (Biggest Loser)-Orion-Michael Corbett;
- Orion Expedition Curises–Chris Perkins;
- Australian Geographic–Massey Archibald-South Sea Horizons–Al Manning.

(h) Media Coverage

- In January, most of the media coverage for PNG was received as a result of the Visiting Journalist Program. The visiting journalists to Papua New Guinea have publicized the so many good tourism products and potentials of Papua New to the Australian/New Zealand population, thus, generating demand for potential visitors.

January 2011 Media Coverage Summary

Date	Media Outlet	Journalist	Headline	Circulation	Adv Value
01/02	4x4 AUSTRALIA	n/a	The Lost Boys	18,301	\$17,050
14/01	Waikato Times	Susan Gough	Adventures in Paradise	41,045	\$2,718
16/01	ESCAPE- Sunday Mail Brisbane	Roderick Eime	Dive into History sets record straight	525,477	\$ 35,634
16/01	Escape- Sunday Mail Adelaide	Roderick Eime	Dive into History sets record straight	300,856	\$20,184
16/01	ESCAPE- Sunday Times	Roderick Eime	Dive into History sets record straight	315,024	\$17,329
16/01	ESCAPE- Sunday Herald Sun	Roderick Eime	Dive into History sets record straight	514,000	\$50,454
16/01	ESCAPE- Sunday Telegraph	Roderick Eime	Dive into History sets record straight	638,550	\$60,958
15/01	Weekend West Travel	n/a	Leave ATMs behind for a priceless experience	333,768	\$16,573
20/01	St. George and Sutherland Shire Leader	n/a	Kokoda Challenge aims to help others	151,782	\$1,709
22/01	Courier Mail	n/a	Doc Holiday	206,110	\$7,054
01/02	Vacations & Travel	Rob Dunlop	Bay of Plenty	34,000	\$35,248
23/01	Sun Herald	Joanna Hall	Orion	429,119	\$14,559
26/01	Koori Mail	n/a	Booderee Rangers help Kokoda counterparts	9,567	\$654
17/01	South Coast Register	n/a	Booderee shares its skills with Kokoda	6,422	\$230.50
17/01	The West Australian online	n/a	Booderee and Kokoda work together	n/a	n/a
31/01	Australian Geographic	n/a	Aboriginal knowledge helps Kokoda rangers	n/a	n/a
17/01	AAP	n/a	Boderee and Kokoda work together	n/a	n/a
17/01	Seven News	n/a	Boderee and Kokoda work together	n/a	n/a
TOTAL				3,524,021	\$280,355

The media coverage on some of Papua New Guinea's unique tourism products in the Australia and New Zealand markets have reached over 3,524,021,000 readers/viewers. This will generate demand and potential tourists will put Papua New Guinea in their minds.

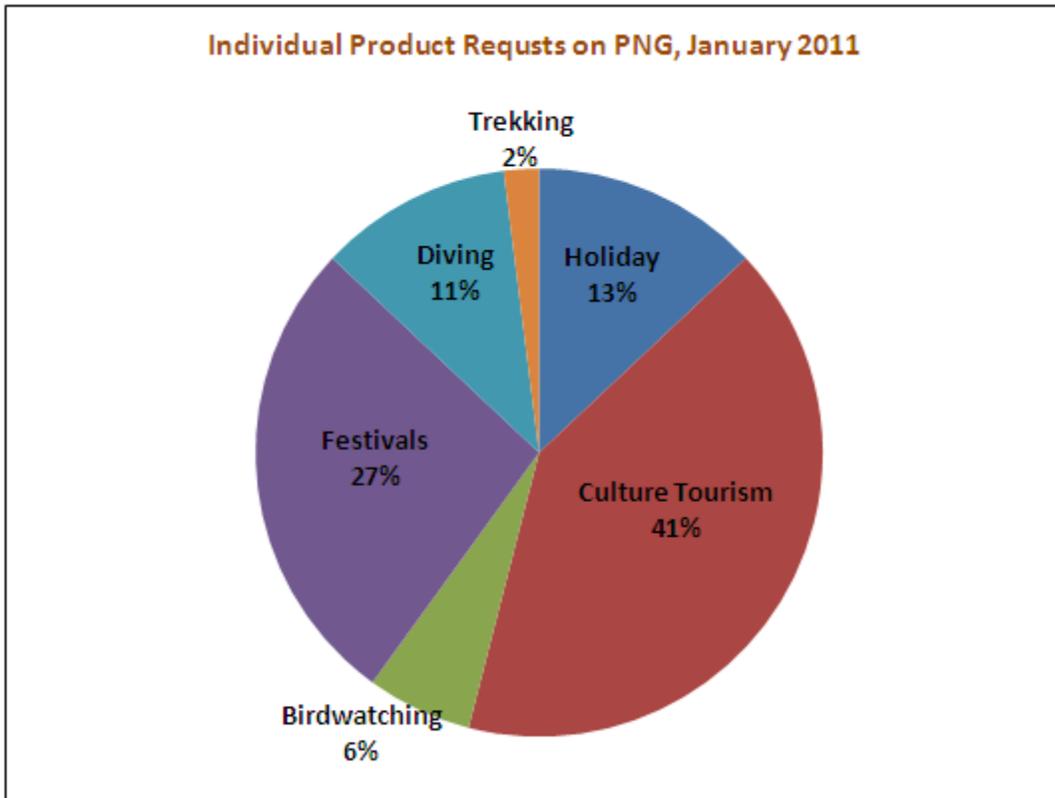
Europe Market Overview & Marketing Activities

Europe continues to be 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. However, the smaller European markets have

shown their resilience over the past months, despite the global economic downturn, and many present good growth opportunities for the Papua New Guinea Tourism Industry. In January 2011, visitor arrivals from Europe to Papua New Guinea show an increase of 26 percent, with holiday arrivals posting a strong growth of 24 percent in the first month. The UK, Germany and France were and are always the major contributing markets.

As the holiday market continues to perform well for the UK, France and German markets, individual requests for PNG tourism products from Europe continue to grow in the New Year.

Number of general enquiries on PNG by Europeans in January 2011



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

United Kingdom (UK)

The UK was slower than all other major economies to emerge from recession and, while there are signs of improvement, recovery is expected to be slow and fragile and the PNG Tourism Promotion Authority in partnership with the industry partners is continuing to target those who are most likely to come to PNG, especially those interested in the PNG Culture, Festivals, Trekking and Diving. These sectors will remain the focus for Papua New Guinea as other travellers look at destinations closer to home in 2011.

Netherlands

The Dutch economy has emerged from recession alongside its European neighbours, but consumers are still cautious about spending, particularly on air travel. There has been a marked shift away from long-haul travel to short-haul and domestic. Despite this, PNG is selling well, particularly at the budget end of the market. Travel has become a way of life and a 'must do' for many Dutch. The economic situation has impacted on travel, reportedly having the biggest effect on the long-haul market. As a whole, the European travel market declined by 6 per cent in 2009, with the Dutch going on 1.2 million fewer trips than in 2008 (source: www.ipkinternational.com). The Dutch travel industry is confident about the outlook, saying summer holiday bookings and the amount travellers intend to spend on their holidays are both up on last year. The trend towards last minute bookings appears to be continuing. Travel sellers in this market remain positive and Papua New Guinea is performing above expectations, with visitor arrivals showing a growth of 18% in the first month of 2011, compared to the same month of 2010.

Budget-conscious travellers are looking for ways to get the most out of their Euro, including holidaying where the Euro is strong, travelling less often, and departing from an airport across the border to avoid the Dutch eco-tax that came into effect 1 July 2008. A trend towards tailor-made themed travel is emerging. This has created an opportunity for Papua New Guinea to take advantage of culture-themed travel, which has been of particular interest to Dutch travellers recently. The resilience of the backpacker and youth sector also presents opportunities for PNG in the Dutch market.

To promote Papua New Guinea in the Europe Market, the PNG TPA Frankfurt Office has carried out several sales calls in Europe. Below are some of the marketing activities carried out in Europe:

Trade show Boot Düsseldorf (22nd – 30th January 2011)

Boot in Düsseldorf (Germany) is the worldwide biggest yacht and water sports trade show and is held every January for 9 days. The PNG divers association had again own a booth at the trade show. The 42nd issue of the fair was a great success, according to official reports. A significant increase in visitor numbers has been recorded and Boot has given sustainable economic stimulus to the market. With the new launched programme "experience 360 °C of water sports", Boot 2011 won especially new young visitors and has herewith created a basis for successful support of the young generation. The TPA Frankfurt office attended the trade show as a visitor to meet current and new business partners and exchange news.

Surveys PNG

TPA Germany had launched two surveys about Papua New Guinea as a travel destination. One of the surveys is dedicated to tour operators and another one to private customers. Both surveys aim at finding out more about the current awareness of PNG in the market and the knowledge people have about the destination. They already received a lot of feedback from people taking part in the survey and will analyse the results once the survey is finished.

PNG in tour operator catalogue Extra Tour 2011

Extra Tour is a German dive tour operator based in Göttingen with branch offices in Austria. They offer dive trips all around the world and the professional team has long-term experience in the industry. In their new catalogue of 2011 they have again included Papua New Guinea. On three pages they inform about the country and give a detailed description about the holiday programme their clients can book. They promote the following places: Tufi Dive Resort, Tawali Resort, Walindi Plantation Resort, Lissenung Island Dive Resort. The beautiful pictures give an attractive impression to potential customers. Our TPA Frankfurt office is in close contact with the product manager for South Pacific destinations and provides support.

Tour operator Pacific Travel House presents PNG on 7 pages

The German tour operator Pacific Travel House is based in Munich and offers trips to Australia, New Zealand, South Pacific, Hawaii, Micronesia and also Papua New Guinea. The company has started business in 1988 and is specialised in individual tour programmes to beautiful destinations. Their programme includes adventure tours with German and English speaking tour guides. One of the product managers travelled to PNG in 2010 with one of the familiarization trips. This year Pacific Travel House has included PNG in their programme again and promotes the destination on 7 pages. We are in close contact with the product managers and offer support on a regular basis.

German Musician travels around the world to collect songs – PNG included

The German newspaper "Schweriner Volkszeitung" is distributed daily from Monday to Saturday in Northern Germany and has a copy of 92,599. In one of the January issues, they have reported about Mr Hannes Koch who is a young student of sound control. Together with his friend they will travel around the world in order to produce a CD in cooperation with worldwide musicians. Their routing includes Papua New Guinea.

Papua New Guinea in German Newspaper "Frankfurter Rundschau"

The German newspaper „Frankfurter Rundschau“ is a daily newspaper reporting about worldwide politics, economy, culture, lifestyle, travel and publishes a special section about Frankfurt each day. It has an average circulation of 129.786 copies and is very popular. A two pages article about PNG of the journalist Mr Stormer has been published in one of the January issues. He tells about his experience of shark calling in New Ireland and explains the details of this tradition to the German readership.

PNG in newspaper "Mainecho"

Mainecho is a daily German newspaper issued from Monday to Saturday with a circulation of 78,850 copies. It is a local newspaper and reports about politics, economy, lifestyle, culture and travel. On 09th January an article about a Bavarian minister who stayed two months in PNG was published. Mr Manacnuc Lichtenfeld has lived in PNG during his childhood and recently turned back to the country to meet and work with the local people. In addition to his experiences, the newspaper gives detailed information on PNG like geographical situation, language, climate etc.

Photographer Ulla Lohmann in Papua New Guinea

Mrs Ulla Lohmann is a German photographer who is famous for her pictures of mummies and volcanoes. The Ludwigsburger Kreiszeitung, a German daily newspaper with a circulation of 43,162 copies has reported about her trip to PNG when she took pictures of the jungle and cultural issues. Other newspapers showed the same/similar report.

Japan Market Overview & Marketing Activities

Japan still remains Papua New Guinea's third largest holiday market after Australia and the United States, and one of the highest spending markets for Papua New Guinea. Growth in visitor numbers has greatly 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 is coming up with new marketing initiative to grow the market share for Papua New Guinea. In January 2011, Japan recorded an increase of 77% in total visitor arrivals, holiday arrivals recorded the highest with 127% increase in the first month, this is an indication that many Japanese are travelling to PNG for their holidays, and the PNG TPA Japan Office is working hard to promote PNG in the Japan market by coming up with new marketing techniques in line with the new brand 'A MILLION DIFFERENT JOURNEYS' tagline to generate consumer demand in the Japan Market.

After dropping back in 2009, outbound travel has started to rebound, and more Japanese are travelling overseas for holidays than ever before, with January showing a 12 per cent increase, the ninth consecutive month of growth. Contributing factors are renewed confidence after last year's Influenza A (H1N1) Swine Flu impact, more flights in and out of the country, and growth in travel to China around the Shanghai World Expo (May to October 2010). This positive outbound trend was reflected in holiday arrivals to Papua New Guinea, which grew by 127 per cent in January 2011.

Japanese tourists are often seen as just one category - package tourist, but there are other categories. By recognising these categories and catering for them better, Papua New Guinea has a great opportunity to take advantage of growth in the number Japanese holidaying overseas. In the past most of the Japanese tourists preferred package tours. Today however, many Japanese 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.

Marketing Activities Undertaken in the Japan Market in January 2011

TRAVEL TRADE - Sales Calls Activities:

Date	Company	Contents
Jan 7 th	JATA Mr. Jibuta	Visited the JATA office and met Mr. Jibuta. Discussed with him on the JATA event of September. Obtained all the details, such as booth costs and registration forms. TPA Japan office will follow up on TPA participation.
Jan 10 th	PX Tokyo Mr. Shimada & Ms. Sakurai	Visited the PX Japan office and informed them of the PNGTPA Japan formation and be welcomed by PX staff. Takashi will develop a closer relationship with PX Tokyo.
Jan 11 th	EI-Publication Mr. Nakano	Met Mr. Nakano (writer of SURFTRIP JOURNAL) and discussed how we would conduct the surfing media famil. Determined the dates of trip and brief ideas. TPA Japan office will follow on all with SAPNG.
Jan 14 th	BRUTUS Mr. Watanabe	Visited the BRUTUS office and met Mr. Watanabe and Mr. Tajima. Obtained a great interest in the PNG media visit and advised several key points to make the trip successful. Our TPA Japan office will coordinate with BRURUS on the final schedules.
Jan 17 th	RECRUIT Ms. Ueno & Ms. Manabe	Visited the Recruit office and met Ms. Ueno and Ms. Manabe. Discussed the PNG intensive online marketing on ABROAD. The TPA Japan office will follow up on further details on when and how to go about.
Jan 19 th	Marine Art Centre Ms. Yamada & Mr. Shigiya	Visited the Marine Art Center and met Ms. Yamada and Mr. Shigiya. Discussed on how to promote the PNG diving and position it in a right place. Marine Art Center will propose its plan to PNGTPA in March.
Jan 24 th	Freelance Writer Mr. Numajiri	Met Mr. Numajiri (Writer of the PNG guide book) and discussed on the next plan for the PNG guide book. Obtained a proposal on going to the places where Japanese media have not visited. Takashi will research further and get back to Mr. Numajiri on this request.

Jan 25 th	RECRUIT Ms. Ueno & Ms. Manabe	Visited the Recruit office and met Ms. Ueno and Ms. Manabe. Finalised the PNG intensive online marketing on ABROAD and determined the date to start from April 7 th .
Feb 26 th	PX Japan TPA Japan GROBE UTI Japan Kamome Tours	Participated in the PNG operation association monthly meeting and exchanged up to date information on products, security, tour contents and current market trends. PNGTPA Japan offered several useful opportunities, such as travel trade famil and PNG seminars. Obtained great interests in the proposals from the participants. Takashi will follow up on further details with proposals from the participants. Takashi will follow up on further details with each party.

Other initiatives on Travel Trade:

Surfing Kids Programme:

PNGTPA Japan has organised a surfing famil together with SAPNG and it was conducted from Feb 12th to 19th at Tupira Surf Club in Madang.

Participants from Japan:

1. Mr. Takashi Yamada (PNGTPA Japan, Marketing Manager).
2. Mr. Susumu Nakano (Surfing writer and editor).
3. Mr. Hisayuki Tsuchiya – CHAR (Surfing cameraman).
4. Mr. Ikuzo Fujimura (Designer who draws on donated surfboards).
5. Mr. Tomonori Onozuka (An influential Pro surfer in Chiba) – VIP.
6. Mr. Makoto Yamamoto (President of the very famous eco-product company related to surfing).
7. Mr. Hayato Maki (One of the best professional surfers based in Japan and Hawaii) - VIP:
8. Ms. Yumie Hori (A very influential and famous pro body boarder) – VIP.
9. Ms. Mai Yamagata (A top female long boarder in Japan) – VIP.
10. Mr. Hiroto Ohhara (The youngest short board professional surfer: 13 years old) - SUPER VIP.

CONSUMER MARKETING

AB ROAD campaign:

PNGTPA planned to launch the PNG intensive campaign on AB Road. This is aimed to facilitate the PNG tour bookings through one of the online distribution channels to connect with consumers, AB Road. Launched the promotion from April 7th until July 7th for 3 months.

INTERNET MARKETING

PC Newsletters and mobile newsletters:

PNGTPA Japan Office distributed the PC newsletters and mobile newsletters on January 15th and January 31st. (Subscribers for PC: 550 people / for mobile: 220 people).

North American Market Overview & Marketing Activities

In the geographically large markets of the United States and Canada, Papua New Guinea is a relatively little-known holiday destination. However, of all our international visitors, those from the US are the most satisfied with their Papua New Guinea holidays. In terms of arrivals, The USA is Papua New Guinea's second largest holiday market and it is an important source market in terms of both holiday arrivals and expenditure. One-third of holiday visitors from the USA are repeat visitors and just under two-thirds combine their trip to Papua New Guinea with another country, mostly Australia and New Zealand. Despite a relatively short length of stay compared to Europeans, two-thirds of Americans will travel beyond the main tourist attractions to the other provinces. The [cruise market](#) is a growing sector for Papua New Guinea and two third of cruise passengers to PNG are Americans.

The US economy had been showing good signs of recovery this year after the economic crisis; however that has slowed due to an uncertain outlook. Travel sellers in the markets are expecting growth in holiday arrivals over the winter months and are optimistic about the summer outlook, but a real return to growth is expected in 2011. Positively, travel sellers are reporting a return to longer lead times for bookings, with a high percentage of travellers booking more than 180 days out from their departure. The year started well for travel to Papua New Guinea with affordable connection flights and restrained recovery in consumer confidence helping drive a slight increase in holiday arrivals.

Between 2003 and 2008, total arrivals from the US increased by around 88% per cent. However, 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 had picked up well and recorded an increase of 26 percent after a slow growth in the first quarter. With the positive sign, Papua New Guinea remains well-positioned for growth with good air access and a favourable exchange rate.

The TPA Los Angeles Office is working hard to promote Papua New Guinea under the new brand 'A MILLION DIFFERENT JOURNEYS' in the North American Market. Visitors from the US 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.

Situation & Market Outlook

The United States saw the highest number of international departures year to date with nearly 3.5 Million Americans taking an international trip. Increased visitation included the region of Oceania, now sitting at a 17.5% growth from 2010. However, a new Adventure Tourism Market Report, prepared by the Adventure Travel Trade Association in collaboration with George Washington University's International Institute of Tourism Studies and Xola Consulting, estimates that adventure travelers from North America, Europe and Latin America will take about 150 million trips in the next year. The value of the global adventure market is estimated to be \$89 billion. The study concluded that adventure travelers show a unique mindset – a desire to go, seek and experience, regardless of financial circumstances. For emerging and recovering destinations, the adventure travel market represents a significant opportunity, where Papua New Guinea fits well in this category.

The US economy is showing slow signs of recovery, with a slow return to growth signaling the end to the country's sharpest contraction since the Great Depression. Consumer confidence is rebounding, and the stock market and unemployment levels have both stabilized. The year started well for travel to Papua New Guinea with affordable connection airfares and a timid recovery in consumer confidence fuelling interest in PNG, despite an overall reduction in available air seats from the US. However, travel sellers are cautious about the

coming months (October/November). Booking lead times remain late and consumers still expect last-minute deals. Low airfares to many destinations are driving online sales of airline tickets, and travellers are either going online to book activities, accommodation and other ground arrangements, or seeking agents to help them. Regardless of what and how they book, it's all about deals. Airfares remain competitive and airlines are running campaign activity in market, which will help drive bookings for holidays.

The cruise industry is expecting a bumper 2010/11 season, with good levels of forward booking. Americans make up two thirds of all cruise visitors to PNG. With increased air capacity to Australia and exceptionally good airfares on that route, Australia and New Zealand remain very popular with American travellers. This is having an impact on travel to Papua New Guinea. This trend will put some pressure on Papua New Guinea for quite sometimes to compete on price. Reversing the trend in the market is a priority for PNG Tourism Promotion Authority, who will be working closely with the industry partners to market and promote Papua New Guinea in the coming months.

Marketing Activities Undertaken in the North American Market

Trade Marketing:

Scuba Diver Girls:

PNGTPA North America are undergoing a partnership with Scuba Diver Girls for \$5,000USD to promote Papua New Guinea. PNG will receive 12 months worth of advertising space on the Scuba Diver Girls website (www.scubadivergirls.com) along with ongoing releases to their extensive database. SDG are also commencing a 'Dive With Us' program whereby they will bring tour groups to dive destinations, PNG is targeted as one of these locations.

Goway Tours:

PNGTPA North America has proposed at \$10,000USD partnership with Goway Tours. It is proposed that this partnership will entail –

- Advertising in Globetrotting by Goway Past Passenger Magazine.
- Advertising through Goway's trade network.
- Travel Agent Webinar Training Sessions.
- In person training at Goway offices.

Educational Travel Conference

Laura Matar will be attending the Educational Travel Conference in Providence, Rhode Island from the 16th – 19th of February. ETC connects Affinity travel planners & products for the purpose of increasing the educational travel market. During the 4-Day conference Laura will participate in workshops, seminars, the international Bazaar (trade show) and also pre –scheduled appointments. Current appointments secured include:-

- Gap Adventures
- Asia Pacific Tours
- Goway Tours
- South Pacific Islands Institute
- Adventure Canada

Consumer Marketing:

A full Consumer Advertising proposal & Schedule was submitted this month. This Online & Print consumer promotion includes scheduled advertising with –

- Afar Magazine
- iExplore
- TripAdvisor
- Smithsonian Magazine
- AdFusion

The first element – a full-page ad in Afar Magazine in partnership with Papua New Guinea Expeditions who will be submitting a full trade plan for 2011.

Consumer Show Planning

New York Times Travel Show – 25th – 27th February:

Ally Stoltz & TPA attended the New York Travel & Adventure show alongside Mary Jane Murray of Trans Niugini Tours with Brochure participation from Lissenung Island Resort. In addition to the show Ally Stoltz has scheduled some pre-show appointments with operators including Aspire Down Under in Manhattan and has arranged further correspondence with the Trade Networking day at the show (25th February).

Adventures in Travel Expo Los Angeles – 19th – 20th February:

Laura Matar attended the show with Mary Jane Murray of Trans Niugini Tours & Mr Wako of Country Tours. Peter Hughes Diving, Tufi Dive Resort, Tawali Dive Resort & Lissenung Island Resort have also participated with brochure support.

Beneath The Sea New Jersey – 25th – 27th March:

Laura Matar will be attending this show and has requested the accompaniment of Ms Taita Terence. Brochure participation is currently confirmed by Lissenung Island Resort.

Social Networking

In January, PNGTPA North America launched a partnership with Think! Social Media giving our Facebook users the opportunity to Send Viral Postcards and research Things To Do in PNG, all from our Facebook Page!

- Updates and notifications on Facebook, currently 88 followers
www.facebook.com/visitpapuanewguinea
- Twitter and notifications on Twitter, currently 109 followers – [_www.twitter.com/PNGTourism](http://www.twitter.com/PNGTourism)

Brochure Project

- Myriad Marketing is still awaiting elements to complete the Papua New Guinea Brochure Program. Status for all below –
 - Diving – Completed
 - General – Completed
 - Surfing – Received approval to design to North American Clientele
 - Hiking – Received approval to design to North American Clientele
 - Birding – Received approval to design to North American Clientele
 - Fishing – Received contact for the Fishing Association, awaiting response.

Internet Marketing:

North American Website

- Site map & additional conversations provided to Reserve Group for construction once the Australia/New Zealand page is complete.

Advertising Plan for 2010

As Above a full Consumer Advertising plan was submitted in January 2011 including online marketing components with the following outlets -

- AdFusion
- iExplore
- TripAdvisor

Public Relations:

TPA Los Angeles office is negotiating with Bonnier over participation in their 'Travel Well' PR Event in New York, November 2011. The event will bring in over 100 key media from New York & the Eastern States, all eager to learn about destination's which promote well-being, connection to the environment and social consciousness.

The event will be in conjunction with an advertising sponsorship package for Islands Magazine. Laura our Los Angeles office manager has verbally requested the presence of TPA head office staff to bring over a performer from PNG. The event will take place in conjunction to our West Coast Cultural Activities (scheduled for November with no permanent reservations made at this stage) making use of a performer for 2 – 3 events in one trip.

Summary of Holiday Arrivals by Source Markets – January 2011

Country	Jan-11	Jan-10	Change	% +/-
Australia	833	782	51	6.5
New Zealand	68	54	14	25.9
Oceania	51	29	22	75.8
Japan	116	54	62	114.8
Asia	286	259	27	10.4
Europe	181	138	47	34.1
America	150	120	30	96.7
Africa	16	9	7	25.0
Total	1,701	1,445	256	17.7

Conclusion

Holiday arrivals from all the key source markets performed well in January 2011, and the tourism outlook for PNG is promising in 2011, 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 and other international routes. The stable political environment of PNG will also secure destination for tourists.