



MONTHLY MARKET WATCH

Issue Three - March 2011

PAPUA NEW GUINEA TOURISM PROMOTION AUTHORITY

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Introduction

This is the third issue of our *Monthly Market Watch* published and distributed by the Papua New Guinea Tourism Promotion Authority to update industry partners and key stakeholders on the current market trends and situations. It will be informative and relevant for the Papua New Guinea tourism industry and guide 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 February 2011

Our February 2011 arrivals data shows that there were 11,052 international arrivals to Papua New Guinea, an increase by 26% or an additional 2,267 arrivals compared to the 8,786 arrivals in February 2010, with holiday arrivals recording a growth of 3% compared to the 1,106 holiday arrivals recorded in February 2010. Most of our key source markets performed well, and the healthy trend is expected to continue throughout the year. However, the chain of disasters that triggered by the 9.0 magnitude earthquake in northern Japan on March 11, 2011 will hamper growth of Japanese tourists, a year that we predicted to see continued growth from the market. This impact will go on for a short period, at least two-three months and should pick-up again as reported by leading Japanese travel analyst *Travel Journal International* online. For more information, please visit the website: http://moodiereport.com/document.php?doc_id=26741&&.

Papua New Guinea is marketed using the new brand and tagline 'A MILLION DIFFERENT JOURNEYS' in the overseas markets placing a greater focus on the many unique tourism products in the country. This marketing campaign under the new brand has seen to be working in most of our key source markets by observations from our holiday arrivals statistics, and the PNG Tourism Promotion Authority in partnership with the industry players continue to drive more marketing campaign under the new brand. Below are the brief market overview and marketing activities carried out by the PNG Tourism Promotion Authority and the industry partners in the source markets.

Australian Market Overview & Marketing Activities

Australia remains Papua New Guinea's largest inbound tourism market, accounting for more than 50 per cent of the arrivals every month. In 2011, arrivals to PNG continue to grow while visitor numbers to the rest of the South Pacific have remained stable or have declined in the first months of the year. The one exception is Fiji which is still receiving record numbers of Australian visitors. For the other Pacific countries, natural disasters in Australia as well as the cyclone season have definitely had an impact on the numbers.

However, the Australian appetite for travel remains high in the remaining months, 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 February 2011, holiday arrivals to Papua New Guinea from Australia increased by 3 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.

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 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 under the new marketing brand name with the '*A MILLION DIFFERENT JOURNEYS*' tagline. 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 Australians 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 is beginning 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 the first months of 2011, TPA Sydney office staff were busy getting their programs for 2011 in order and carried out the following marketing activities:

(a) Media Famils

- **Individual famil** – TPA Sydney has proposed freelance Lee Mylne an individual media famil to Mount Wilhelm in April. The project has been postponed until September as per Lee's availability. Lee will also be writing a PNG feature for the July issue of Travel Bulletin for the Australia.
- **Group famils** – TPA Sydney office has started working on potential candidates for media famils in May (Tufi) and August (Sepik Crocodile Festival).

(b) Media cocktail in Melbourne (16 of February)

- The TPA Sydney office has organised a media event in Melbourne at the Sotano Bar (Hilton Melbourne) on Wednesday the 16th of February, coinciding with the end of the 19th Asia Pacific Incentives and Meetings Expo (AIME). A total of 30 trade and travel journalists attended the event, and media dossier highlighting the main tourism news and events for PNG in 2011 was handed out to the media that attended the event. After the event, the TPA Sydney office contacted with the key attendees through a follow up email, in order to keep them in the loop of upcoming events and media famils in the future.

(c) Press releases

- **PNG showcased by Gap and Adventure World** - Our Sydney office has contacted Gap adventures and Adventure World in order to gather information for a trade press release focused on the fact that both Tour Operators will include PNG (Kokoda) in their product offer within the following months.
- **Kokoda Pre-Departure Kit** – We contacted the Department of Sustainability, Environment, Water, Population & Communities (DSEWPaC) regarding the Kokoda Pre-Departure Safety Kit for a possible press release. DSEWPaC informed that this project has been delayed and the kits will be delivered by June.

(d) 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.
- The TPA Sydney office had organized some important meetings with 20 travel agents and journalists based in Australia and New Zealand to increase the awareness of PNG's unique tourism products in their publications sales initiatives for consumers in the markets.

(e) February Media Coverage Summary

- In February, 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.
- The total circulation for February was over three hundred thousand, which was a good coverage.

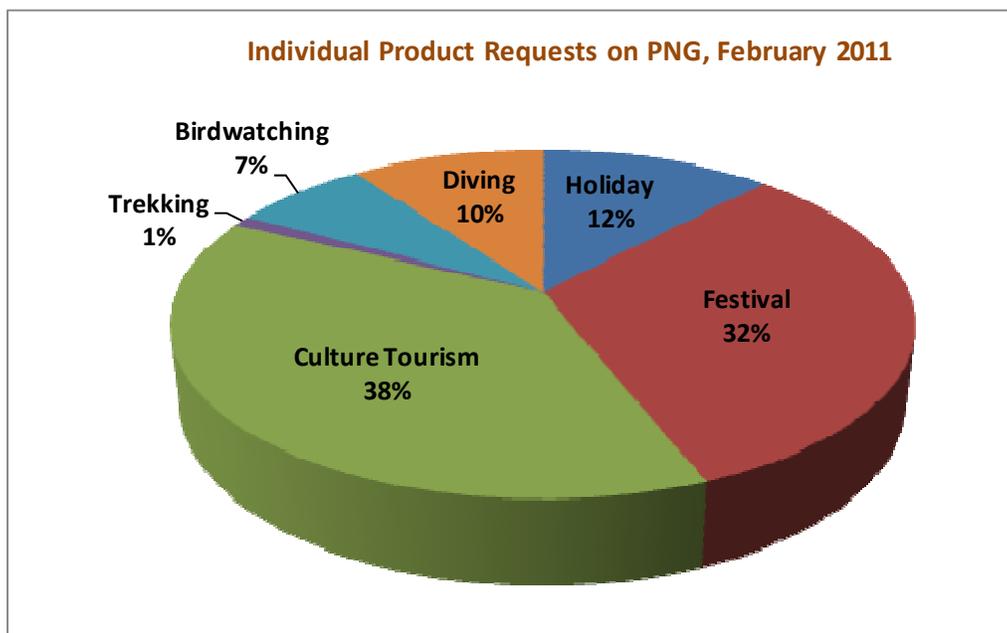
Media Coverage about PNG in Australia/New Zealand Markets in February

Date	Publication	Title	Circulation
1-Feb-11	Dive Pacific	Being your Journey - Muscoota Papua New Guinea.	n/a
1-Feb-11	Australian Geographic	URE-CROCSrays and flooded kayaks.	126,275
1-Feb-11	Local Government Focuss	Team Kokoda: Blind Courage.	11,800
1-Feb-11	Sprit Regional Australia	Walking on the Wildside	n/a
8-Feb-11	Southern Gazette	Women take on Kokoda	42,281
8-Feb-11	Stirling Times	Women step out for cancer cause	42,380
15-Feb-11	North Coast Times Community	Trekkers on a mission	16,982
16-Feb-11	Barossa & Light Herald	Kokoda Challenge	21,034
16-Feb-11	Cairns Post	Air charter service set to take off	25,766
22-Feb-11	AAP Newswire	PAC: PNG students win Kokoda scholarship.	n/a
25-Feb-11	Tumut & Adelong Times	Passion for PNG	3,035
27-Feb-11	Sunday Territorian	Comfy way to go a bit wild	22,624
28-Feb-11	Newcastle Herald	Program of sun,surf,music	48,000
Total Circulation			360,177

Europe Market Overview & Marketing Activities

The collective 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 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, despite the global economic downturn, and many present good growth opportunities for the Papua New Guinea Tourism Industry. In February 2011, visitor arrivals from the collective Europe to Papua New Guinea show an increase by 20 percent, with holiday arrivals posting a decrease of 21 percent in the month. The UK and France markets have performed well in holiday arrivals and are continuing be the major contributing markets. As the UK and France have performed well in February, individual requests for PNG tourism products from the collective Europe market continue to grow in the first months of 2011.

Number of general enquiries on PNG by Europeans in February 2011



Arrivals from United Kingdom 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 JURNEYS*' 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:

Travel Fair "f.r.e.e. Munich", Germany

F.RE.E is the largest travel fair in southern Germany. Travel agents update their know-how and make contacts. It is also the place where active travellers get new ideas and make purchasing decisions. Last month it took place on the Munich Trade Fair grounds from 18 until 22 February and our TPA Frankfurt office attended the event. It finished up with more than 100,000 guests and satisfied looks of visitors and exhibitors. The concept was called very successful. Although f.re.e is basically a tourism trade fair, to which various topics in the area of recreation are linked, it also has many active areas and show courses that visitors can experience live. The fact that f.re.e is a must take-part adventure trade fair and PNG was privileged to be represented.

Travel Fair "Reisen Hamburg", Germany

"Reisen Hamburg" is a German travel fair which is held every year in February in the city of Hamburg (Northern Germany). It is the biggest tourism fair in Northern Germany. More than 900 exhibitors of 70 countries have shown their products and services and 70 000 visitors have been recorded. The website of "Reisen Hamburg" has published tour operator's products and services already before the show. The tour operator FTI who included PNG in their travel brochure this year, has issued an article about the destination on this website to promote this new programme and enhance bookings. The PNG TPA Frankfurt office attended the fair as a visitor to meet new and former business partners and to exchange news about the tourism industry.

PNG in Czech tour operator brochure Eso Travel

Eso Travel is a Czech tour operator based in Praha. They offer trips to worldwide destinations for groups and FIT. For the first time they have included Papua New Guinea in their catalogue. The destination is described on two pages and a 17 and 13 days trip to Tari, Madang and Rabaul is offered to their clients. Beautiful pictures are shown and attract reader's interest. TPA Frankfurt office provided support to the tour operator and stay in

touch with the product manager. It is a great promotion within the Czech tourism market to have PNG in Eso Travel's brochure.



PNG article in French magazine “Grands Reportages”

Grands Reportages is a French travel magazine of high quality. It is issued monthly and reports about worldwide destinations. Big pictures as well as detailed articles give in depths information for travellers. Marc Dozier, a French photographer has visited PNG within our VJP programme and has issued a 16 pages article in “Grands Reportages”. He reports about different cultural rites in PNG and has published colourful pictures to attract reader's interest.

PNG report in French Radio programme “France Inter”

“France Inter” is a French Radio station founded in 1963 which has around 5.5 million listeners daily. They are very well-known in France and have also created sub-radios for different target clients such as France Music, France Culture. France Inter is a general radio programme reporting about news, leisure, culture, ideas, music etc. The journalist Céline Rouzet has travelled to PNG last year and has created a radio documentary about PNG and its culture which has been broadcasted on France Inter last month. This report has also been mentioned on their website and interested listeners can get details about the country. This is very good promotion for Papua New Guinea in the French market, and the PNG TPA Frankfurt office has given their support to the journalist and stay in touch with her for further project ideas.

Article in French newspaper “Le Monde” about PNG exhibition

The French newspaper “Le Monde” is one of the biggest daily newspapers in France. It reports about the latest worldwide news as well as local information and is read by decision makers. In one of their February 2011 issues, they have reported about two exhibitions which were held in Paris about Papua New Guinea. Both show PNG artifacts as well as culture and traditions and were open for visitors. The exhibition ended on 12 March 2011. It was organised by the company “Maison de l’Océanie”, which also offers trips to Papua New Guinea. Our TPA Frankfurt office provided support for this exhibition, which is a great promotion tool for PNG Tourism.

PNG in German travel catalogue “Urlaub und Natur”

The tour operator *Urlaub und Nature* is based in Karlsruhe in Southern Germany and was founded in 1993. The owner has created a concept of nature and outdoor trips with a sustainable background. Group trips have few participants so that each trip is very individual.

Accommodation is provided in guesthouses in order to keep a close relationship to local people and to give tourists the opportunity to get familiar with different cultures. For the first time, "Urlaub und Natur" has included Papua New Guinea in their travel programme, which is promoted on their website as well as in their catalogue. The trip covers trekking in the highlands as well as a trip to Madang.

Papua New Guinea is 7th best dive place in the South Pacific

The German website "Zehn.de" (meaning "ten") summarises top ten lists of all kind of categories, such as the ten best beaches, the ten most impressive dive sites or the ten best iPhone applications. Their website is divided into different subjects and one is called "travel". Within this category the authors have published the ten most impressive dive sites in the South Pacific and Papua New Guinea is listed on position #7. An article about diving in PNG as well as geographical information is given so that web users get useful facts regarding PNG as an attractive dive spot. French Polynesia was voted first place, followed by Fiji and New Zealand.

Japan Market Overview & Marketing Activities

Japan is 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 holiday numbers has greatly improved in 2010 and continued through to the first months of 2011 after performing poorly in 2009. The healthy growth is 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 Narita Office, who is coming up with new marketing initiative to grow the market share for Papua New Guinea. In February 2011, Japan recorded an increase of 33% in holiday arrivals, 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% in January and 33% in February 2011. However, the chain of disasters that triggered by the 9.0 magnitude earthquake in northern Japan on March 11, 2011 will hamper growth of Japanese tourists, which we predicted to see continued growth from the market. This impact will go on for a short period, at least two-three months and should pick-up again.

Marketing Activities Undertaken in the Japan Market in first months of 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 in the first months of 2011

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 of our Los Angeles office has attended 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, so during the 4-Day conference Laura participated in workshops, seminars, the international Bazaar (trade show) and also pre-scheduled appointments. The appointments were with the following:-

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

Consumer Marketing:

A full Consumer Advertising proposal & Schedule was submitted in February. 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:

Our North American Office rep, 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 has attended this show and has requested the accompaniment of a TPA head office rep. Brochure participation was confirmed by Lissenung Island Resort.

Social Networking

In the first months of 2011, 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 Arrivals by Source Markets – February 2011

Country	Feb-11	Feb-10	Change	% +/-
Australia	5,237	4,692	545	12
New Zealand	555	434	121	28
Oceania	473	390	83	21
Japan	255	186	69	37
Asia	3,065	1,794	1,271	71
UK	309	239	70	29
Germany	80	88	(8)	-9
Europe	338	279	59	21
America	653	614	39	6
Africa	87	69	18	26
Total	11,052	8,785	2,267	26

Conclusion

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.