

*'There are some really encouraging signs that tourism is finally about to take off.'*

## TOURISM INVESTMENT

# AN 'AQUATIC PARADISE' IS FINALLY NOTICED

With less than 20,000 visitors per year, the Solomon Islands is clearly not the first place people think of when they are planning a holiday in the South Pacific. However, there are signs that the industry is finally starting to generate some momentum.

**T**he Solomon Islands is just three hours by air from Brisbane, Australia, and is widely regarded by those outsiders who have explored it well to be one of the most spectacular places on earth. The island of East Rennell in Western Province, for instance, is a UNESCO World Heritage site.

The Solomons is also one of the world's best locations for diving and snorkelling, due not only to the natural beauty, but the unspoilt wrecks from the Second World War. A recent feature article in *The Sophisticated Traveller* magazine (distributed quarterly by the prestigious *Australian Financial Review*) described it as 'an aquatic paradise'.

### ENCOURAGING DEVELOPMENTS

In mid-2008, the outlook for tourism appears highly encouraging, as various key elements look set to combine to give the sector a vital head of steam:

- Most fundamentally, the law and order situation in the country has stabilised since the arrival of RAMSI in 2003 and travel advisories in key markets have been downgraded.
- Competition in the aviation sector has increased air access considerably and had a downward effect on prices (see 'aviation' box).
- Tourism investment is starting to pick up. A number of current and proposed developments are both expanding capacity and upgrading existing inventory.

There is also shared desire among key stakeholders in the industry not only to talk about development and promotion, but to actually act. The new Sikua Government has earmarked tourism as a potential high-growth sector (it wants 30,000 visitors by 2010) and backed that up by allocating funds to upgrade Munda airport, the gateway to Western Province, the most developed tourism area.

### INCREASED ACTIVITY

'We've noted an increase in tourism since 2003,' notes Solomon Islands Visitors Bureau (SIVB) General Manager Michael Tokuru (pictured above right). For its part, the SIVB has identified nearby Australia as its key target market, diving and surfing as key product offerings, and appointed a Sydney PR firm to act on its behalf. This already appears to be bearing fruit with the destination now



SIVB'S MICHAEL TOKURU.

securing valuable national media coverage in Australia and New Zealand. Packages to the Solomons are also being marketed in Australia for the first time in a decade.

### OPPORTUNITIES FOR MICE

While much of the future development in tourism is anticipated to occur in Western Province, Honiara will still remain an important tourism centre. Not only do all international flights currently land there, but some of the best diving spots, centring mostly around Second World War relics, are in its environs. For this reason, the MICE (Meetings, Incentives, Conferences and Exhibitions) market also has growth potential and an opportunity exists to build and operate dedicated conference facilities.



A RISE IN CRUISE LINER VISITS TO THE SOLOMON ISLANDS HAS MADE HONIARA'S POINT CRUZ WHARF INCREASINGLY BUSY.

### BUILDING UP INVENTORY & GOING UPMARKET

Major examples of tourism investment:

#### Honiara

- 74-room Heritage Park Hotel due to open early 2009 (see box on page 10).
- Japanese-owned Kitano Mendana Hotel has just opened a new luxury wing, with 18 executive suites and two new restaurants.
- A block of about 20 executive serviced apartments next to the King Solomon Hotel, financed by Solomon Islands Provident Fund—due for completion late 2009.
- A major new casino resort is planned for central Honiara, with Malaysian backing, comprising of studio apartments, casino and retail space.

## Western Province

- Gizo Hotel, the largest in the province, is refurbishing all 56 rooms, adding satellite TV, wireless broadband etc. The owners, the Kennedy family, are also involved in a new project in the area to build over-water bungalows on a small island just off Gizo itself.
- Upmarket Uepi Island and Sanbis resorts are reported to have expansion and refurbishment plans respectively.
- SkyAirWorld is considering the feasibility of bringing a major resort development to Western Province.

## WESTERN PROVINCE APPEALS TO A SIGNIFICANT NICHE

While it may not attract the kind of tourists who revel in five-star luxury, the islands of Solomons' Western Province have something in abundance that more adventurous tourists yearn for: world-class surfing breaks, the world's largest double-barrier lagoon, crystal clear waters for snorkelling and scuba diving, abundant reef life, historic World War Two sites (including Kennedy Island, where a shipwrecked John F Kennedy scrambled ashore in 1943) ... and very few people.

'It's a great nation to visit if you want to meet locals untainted by western commercialism and for travellers who are eager to discover coral reefs and pristine islands dotted with traditional thatched homes on stilts,' wrote the Australian Associated Press' correspondent after a recent visit.

Following the April 2007 tsunami that killed dozens and left thousands of locals homeless, a concerted effort has been made to open up the Province—which constitutes the northwestern-most tip of the Solomons—to more tourists.

The Western Province Government has committed funds to upgrading the main airstrip at Munda, the Solomon Island Visitors Bureau has been flying in international travel journalists to raise the region's profile, while hotels and resorts, such as the Gizo Hotel in the provincial capital of Gizo, are expanding.

David Charlton, CEO of growing regional airline SkyAirWorld, recently announced that his own airline would soon extend its passenger and cargo services to Munda to encourage and cater for the anticipated increase in visitor arrivals. Once SkyAirWorld's new service starts, the Province could well find itself in the midst of a mini tourist boom. ■

## CASE STUDY: LANDMARK HOTEL DEVELOPMENT IN HONIARA



**THE HERITAGE PARK HOTEL'S SISTER HOTEL, AIRWAYS, IN PORT MORESBY.**

Park will aspire to the same standards of comfort and service. As the name infers, it will seek to retain the colonial

Honiara will have a first-class new 74 room hotel in early 2009 thanks to a development that is significant in many ways.

The Heritage Park Hotel, which will overlook the famous Iron Bottom Sound, is a joint venture between two high-profile investors from Papua New Guinea: superannuation fund NASFUND and Kostas Constantinou, the major shareholder in Port Moresby's Airways Hotel.

Airways is a truly outstanding hotel and regular visitors to Honiara will be delighted to hear that the Heritage

theme of the former Governor-General's residence that it actually incorporates.

According to a spokesperson, the aim is to be 'a hub for both the local community and business, as well as a platform for rebuilding the country's tourism industry.' Forty-eight rooms are planned, together with 26 serviced apartments, conference facilities, a restaurant, a bar/nightclub and a swimming pool.

Honiara badly needs this development. The ongoing presence of RAMSI is putting a strain on local room capacity and the city lacks a genuinely international-standard business hotel.

But the new property, with a prime waterfront position in the middle of Honiara's business district, will also increase the capital's appeal to other markets. With three conference rooms, it is set to enhance the city's credentials as a meetings destination. It will also provide an upmarket option for visiting tourists.

## ANZ - Partnering with you in the Solomon Islands

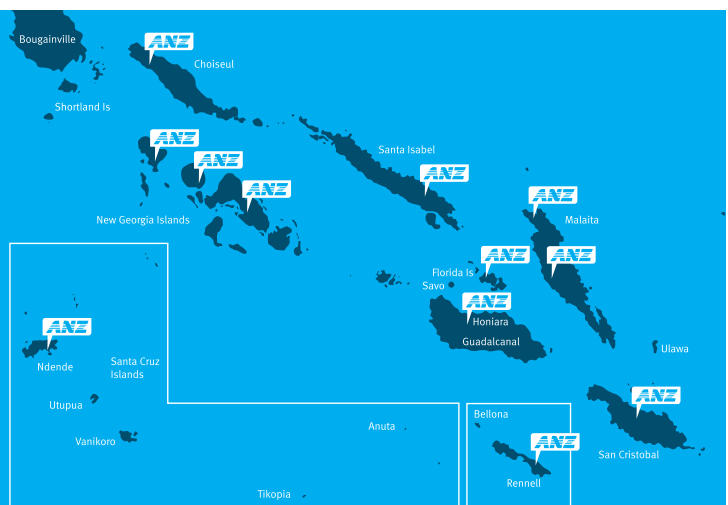
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## SKIES OPEN FOR BUSINESS

For remote island nations such as the Solomons and many of its South Pacific counterparts, air access is a major obstacle to the development of a flourishing tourism industry. That is why the recent deregulation of the Solomons' aviation industry is such a milestone.

Even more encouraging is the fact that the major new player, Australia-based SkyAirWorld, is keen to position itself as a partner in the development of the tourism sector, rather than just an air carriage provider. SkyAirWorld began flying the key Brisbane–Honiara route in March 2008 five times per week. It has recently announced it intends to increase this service to daily and is modifying its schedule to make it easier for people on either side of the Coral Sea to make weekend trips.

SkyAirWorld has also applied for a domestic licence that will enable it to continue on to Western Province from Honiara, thus providing convenient tourist access to the Solomons' most attractive region. According to SkyAirWorld CEO David Charlton, the company also hopes to build a resort in Western Province with a view to attracting a major international hotel operator to come in and expand it. Charlton's enthusiasm for the Solomons in general and Western Province in particular could be a key factor in that process. He even recently arranged a familiarisation trip to the area for a dozen Australian journalists.

While the Solomon Islands' new Government has committed to upgrading the airport at Western Province's Munda to international standard, it now needs to do something about Honiara's domestic terminal, which is reportedly dilapidated and out-of-date on a good day, and liable to flooding.

As this edition went to press, the newly-appointed board of national carrier Solomon Airlines, under the chairmanship of MP Mathew Wale, announced a new partnership with Nauru's Our Airline to provide newer and more efficient Boeing 737-300 aircraft on its key Honiara–Brisbane route

(on which it recently chalked up its 30-year anniversary). Solomon Airlines also has codeshare arrangements to connect to Vanuatu, Papua New Guinea and Fiji. CEO Ron Sumsum is sanguine about the onset of competition:

'We are just focused on being as reliable as we can and have not noticed any drops in our passenger numbers to date. Ultimately, we realise that we can only carry a certain number of international passengers each month and if other players come and build their own market, then the country as a whole will benefit.'

Domestically, 'Sol Air' also carries out the vital task of connecting one of the world's most dispersed populations. It services 19 destinations around the country using four smaller aircraft, including at least two flights per day to Western Province. 'We have recently made changes to our domestic schedule to connect better with our international services,' says Sumsum.



WESTERN PROVINCE



## Discover somewhere different

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A little-known South Pacific Paradise just three hours from Brisbane. But it's not for everyone. It's for the new breed of eco-tourist, for thoughtful travellers worldly enough to expect the unexpected... and find joy in simple natural environments.



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