

TAKING TOURISM TO THE NEXT LEVEL

WARWICK INTERNATIONAL HOTELS' LE LAGON RESORT NEAR PORT VILA.

Tourism has been Vanuatu's big success story of the past few years. Now that the tourists are coming in record numbers, the challenge is to provide additional accommodation and services for them.

There are several factors that make Vanuatu a particularly attractive location for tourism development. It is close to two major sources of tourists (Australia and New Zealand), has a warm and largely untouched tropical location, and a distinctive indigenous culture that rubs shoulders with some of the best aspects of French and English-speaking culture.

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This last feature means that a level of sophistication exists for the more discerning traveller in the form of fine restaurants, a dependable services sector and quality accommodation, while those looking for a true taste of Vanuatu are drawn by such attractions as Tanna Island's live Yasur volcano, the spectacular 'bungy' diving on the island of Pentecost (which takes place between April and June each year), or the many dive sites on Vanuatu's second island of Espiritu Santo (called simply Santo by locals).

MARKETING PAYS OFF

A concerted effort by the Vanuatu Tourism Office to promote Vanuatu to its key markets, and an increase in air services to the country have combined to lift tourism arrivals significantly over the past six years. In 2008, Vanuatu experienced an 11.4% increase in tourism arrivals over the previous year, with a record 90,654 visitors holidaying to Vanuatu.

'Vanuatu is special because of the people. It is relaxed; the people are genuine. You find it in a lot of Pacific destinations but so many say it is particular to Vanuatu,' notes Annie Niatu, General Manager of the Vanuatu Tourism Office, which has recently expanded its international marketing capacity. 'Our main priority is to look at where the major tourism markets are—Australia and New Caledonia. We also need to encourage people with the money in the long-haul market to come this way.'

MORE ACCOMMODATION NEEDED

While the growth in tourism arrivals is impressive, with a recent Asian Development Bank report noting that Vanuatu has benefitted from Fiji's recent instability, the fact that US reality-TV show *Survivor* couldn't reprise its previous series in Vanuatu due to a lack of suitable accommodation is a clear indication that the next challenge facing both Government and the tourism industry is to expand the country's accommodation capacity. While more investment is being made (see box opposite), further opportunities undoubtedly exist, particularly at the premium end of the market.

It should also be noted that there is some caution due to the global downturn, with a February 2009 International Monetary Fund mission to Vanuatu noting that, 'while tourist arrivals remain strong, spending by tourists has begun to decline.'

AVIATION SERVICES DRIVE GROWTH

The advent in 2004 of Pacific Blue air services to Vanuatu was a major factor in triggering increased tourism arrivals. The Virgin Blue-owned regional airline now runs regular services to Port Vila from both Sydney and Brisbane. More recently, national airline Air Vanuatu has added to capacity with a 737-800, and at the end of 2008 it introduced direct flights to Melbourne to complement existing regular services to Sydney, Brisbane, Auckland and Fiji.

BUILDING THE NEXT GENERATION OF ACCOMMODATION



ERATAP RESORT, VANUATU'S FIRST FIVE-STAR PROPERTY.

With arrivals by air and sea at healthy levels, there are considerable opportunities to add to Vanuatu's current hotel room inventory, both on the main island of Efate (now opening up due to the sealing of a ring road around the island) and elsewhere.

As local suppliers of beef, prawns and bottled water have discovered, such development will drive further demand for both produce and ancillary services.

The two most notable developments in Vanuatu are the Whitesands Resort and golf course (see page 13), which

aims to cater to the needs of high-yield longer-term visitors and the Eratap Bungalows (www.eratap.com), which were Vanuatu's first genuinely five-star offering when they opened in December 2007.

'Our clientele consists of those looking for style and comfort in a stunning natural environment,' says owner Tony Pittar. 'They include couples, honeymooners and families.' Pittar, from Sydney, Australia, is a good example of the new breed of entrepreneur Vanuatu is now attracting. He relocated with his family to Vanuatu in January 2006 to oversee the bungalows' development, after spending a decade searching for the ideal site for his resort.

Meanwhile, Warwick International Hotels, which owns the family-friendly Le Lagon resort just outside Port Vila, is embarking on a sustained capital works program. This includes the upgrade of its 500-block two-storey building to make rooms more spacious, the renovation of its Lagoon Bungalows, and the refurbishment of its popular Lagoon terrace restaurant.

'In the pipeline, we will be building a new beauty spa, shopping centre and a new sports complex. We are also planning to build an additional 50 rooms,' Tammie Tan, Warwick's Senior Vice President/Executive Director—Pacific, tells *Business Advantage*. Warwick is also considering new opportunities in Vanuatu.

Air Vanuatu is also adding further to its fleet, acquiring a French/Italian ATR 72-500, which will have 68 seats. Apart from operating on a domestic trunk routes from Port Vila to Santo and Port Vila to Tanna, it will also operate to Noumea and to Nadi in Fiji.

Improved domestic air services, plus the creation of new tourism development zones in outlying islands such as Sanma and Tafea, will undoubtedly assist in opening up tourism opportunities.

CRUISE SHIPS INCREASE

A positive growth area for Vanuatu's tourism sector has been the increase in cruise ships visiting the islands. Port Vila is a key regional port for cruise ships and, although stays in port are by nature brief, one only has to witness the huge line of taxis and hastily-erected vendor stalls that greet each new vessel to realise the positive contribution made by the cruise sector.

Such is the demand for cruise berths, P&O Cruises is planning to increase its cruise ship visits to Vanuatu from 100 to 180 during 2009.

'The demand is growing all the time and that's why we are bringing in two more ships to sail out of both Australia and New Zealand into the Pacific, particularly to Vanuatu,' Ann Sherry, the Chief Executive of Carnival Australia (which owns P&O Cruises) told Radio New Zealand in February 2009. ■



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