



Pacific Islands Whale Watch Tourism A Region Wide Review of Activity

An IFAW Report

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South Pacific Tourism
ORGANISATION

**Pacific Islands Whale Watch Tourism
A Region Wide Review of Activity**

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Executive Summary

The Pacific Islands region's whale and dolphin watching industry has demonstrated remarkable growth since 1998.

A worldwide assessment of the whale watching industry was presented in 2001 with global whale watching data for the 1998 season. The following report provides updated data for the Pacific Islands region in 2005 and allows for analysis of trends in whale and dolphin watching tourism since 1998 to be assessed¹.

Data for this research was gathered from a survey of regional whale and dolphin watch operators. This commercially sensitive data was combined with other data sources including tourism industry bodies, government, universities, researchers, non-governmental organisations and inter-governmental agencies to create an overall snapshot of the size of the whale watch industry.

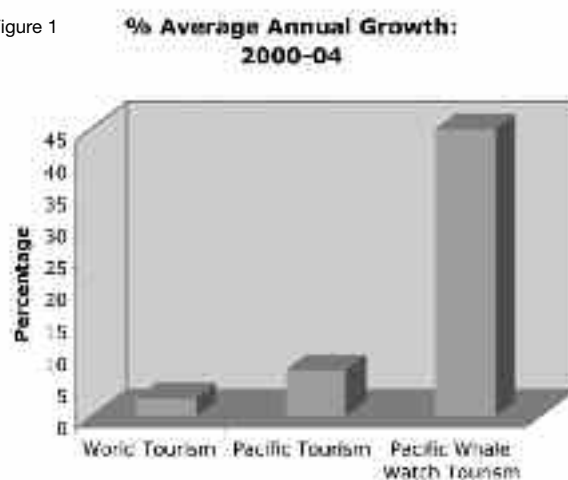
In 2005, tourists and Pacific Islanders made more than 110,700 visits to watch whales and dolphins - a ten-fold increase on the previous figure of 10,300 in 1998. As an average, this translates to 45% growth per annum since 1998 (see table below).

Pacific Region Findings:	Numbers of Whale Watchers:	Countries with whale watch operations:	Average annual growth in whale watchers (1998 – 2005):	Estimated direct expenditure on whale watching:	Estimated total expenditure on whale watching:
1998	10,309	9	NA	USD 500,000	USD 1,185,000
2005	110,716	14	45%	USD 7,525,498	USD 21,011,873

This extraordinary rate of growth outshines the region's own above average inbound tourism growth of 7.3% on an average annual basis from 2000 to 2004². This was in a period that witnessed a serious dent in global tourism due to the severe acute respiratory syndrome (SARS) outbreak in Asia and the Iraq War, leading to a period of overall stagnation in global tourism with a low annual average growth in world tourism of 2.9% (2000-2004)³ (see Figure 1).

As a result of this strong growth in whale watching in the Pacific Islands region, the industry is experiencing a rapid increase in sales with a significant impact on tourism expenditure in the region. Direct expenditure on whale and dolphin tourism has had a fifteen-fold increase over the seven year period from USD 500,000 to over USD 7.5 million. Whale watch operators have therefore been able to charge relatively higher ticket prices for whale watch participation compared to 1998 average prices.

Figure 1



¹ In this report, 'whale watching' refers to observing all cetacean species including whales, dolphins and porpoises.

² Average annual growth in international tourist arrivals in the Asia Pacific Region between 2000-2004: World Tourism Organisation, Tourism Market Trends 2005 Edition - Annex, www.world-tourism.org, accessed August 2006.

³ ibid. – data relates to 'International Tourist Arrivals – World'.

In 2005, estimated total expenditure (direct plus indirect expenditure) on whale watching tourism was over USD 21 million for the region, up from almost USD 1.2 million in 1998. Clearly, the industry now plays an important role in Pacific tourism.

For the period studied, the industry has also expanded its geographical presence across the region. In 1998, whale and dolphin operations were reported in nine countries in the region. This study found some form of whale and/or dolphin watching in fourteen of the twenty-two countries assessed for the 2005 calendar year.

There is no indication that the industry does not have potential to continue this strong growth trajectory, although this is heavily dependent on the growth of international tourist arrivals to the region. For a majority of countries where whale watching was reported, it is predominantly international tourists participating as opposed to domestic tourists. The South Pacific Tourism Organisation has forecast continued inbound tourism growth (in the South Pacific Region)⁴ and therefore it is likely that this growth trend in whale watching will continue.

Beyond inbound international tourists, key constraints to further development of whale watching are:

- The abundance of cetaceans (both whales and dolphins) and therefore availability of viewing opportunities;
- Tourist accessibility to the country (includes frequency and reliability of access, and affordability of access); and
- The availability of marine-based tourism operators.

In countries where there is a strong tourism market, but low whale watching numbers, this primarily relates to an infrequency of cetacean sightings.

This research also sought to provide an important source of information to support regional initiatives promoting cetacean conservation, such as the Secretariat of the Pacific Regional Environment Programme's (SPREP) Whale and Dolphin Action Plan and the Memorandum of Understanding (MoU) under the Convention on Migratory Species (CMS) on 'Conservation of Cetaceans and their Habitats in the Pacific Islands Region'. As a result, the report provides broad recommendations that aim to promote the continued sustainable growth of the industry across the region. These have been included in the 'Summary of Findings' section of this report.

⁴ Forecast at 8% growth in 2005 - Hopkins, R., South Pacific – Facts and Figures of Tourism, SPTO presentation, www.spto.org, accessed July 2006.

Acknowledgements

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The researchers would also like to thank all those parties who participated in this study. This covered a range of stakeholders in the tourism industry across the Pacific Islands region including government representatives, non-governmental organisations, universities, tourism authorities, inter-governmental agencies, independent research organisations and industry bodies.

Of critical importance to such a study is the contribution of the private operators themselves. We would like to thank the many operators we had discussions with and who responded to our survey. Without their data, this report would not have been possible. Many have been very generous with their time and responses and we appreciate their vision to see this research as an important part of the further establishment of this industry in the region.

Furthermore, regional insight was provided by researchers Nan Hauser (Cook Islands) and Michael Poole (French Polynesia). In Tonga, the Tonga Whale Watch Operators Association provided invaluable information, particularly through their President, Allan Bowe.

Introduction

The Pacific Islands region is home to a high diversity of cetaceans (whales, dolphins and porpoises). It contains critical breeding, calving and feeding grounds and migratory pathways for many species. Historically, the region was a focus for whaling from the late 1700s. Many species were hunted to the brink of extinction and are recognised internationally as still threatened today (IUCN Red List⁵). Nevertheless, the presence of populations of cetaceans has led to the development of whale and dolphin watching tourism industries over the last 10-15 years. Cetaceans are now increasingly an important element of the region's economy.

In 2001, a report by Eric Hoyt for the International Fund for Animal Welfare (the 'Hoyt Report'⁶) provided a global assessment of whale watching⁷ tourism expenditures and participant numbers. The report assessed several countries and territories in the Pacific Islands region (Fiji, New Caledonia, Solomon Islands, Guam, Midway, Federated States of Micronesia, Tonga, French Polynesia & Niue). Whale watching industries have subsequently developed in other Pacific Island countries and territories not included in the Hoyt assessment.

Since the Hoyt Report, there has been increased interest in the conservation of the region's cetaceans through, for example, the Secretariat of the Pacific Regional Environment Programme's 2003-2007 Whale and Dolphin Action Plan, and increased membership of both the Convention on Migratory Species (CMS) as well as the International Whaling Commission (IWC) by Pacific Island countries.

In February 2006, the International Fund for Animal Welfare (IFAW), Secretariat of the Pacific Regional Environment Programme (SPREP), South Pacific Tourism Organisation (SPTO), and the South Pacific Whale Research Consortium (SPWRC) commissioned an assessment of the whale and dolphin watching industry in the Pacific Islands region (as defined by SPREP's member countries⁸).

Specifically, the purpose of the assessment was:

- To review the status of marine mammal tourism activities in the Pacific Islands region.
- To provide an estimate of the economic value and growth of whale and dolphin watching tourism in specific Pacific Islands countries and territories.
- To undertake a preliminary assessment of the potential for further whale and dolphin watching tourism in the Pacific Islands region, including identifying development needs.
- To provide recommendations of work required to support the future development of a sustainable tourism industry based on the viewing of cetaceans.

A region-wide review of the status of whale watching activities was seen as a valuable tool to further support the development of responsible whale and dolphin watching tourism and to support regional initiatives promoting the conservation of these species.

The following report presents the findings of this assessment.

⁵ The World Conservation Union, www.redlist.org.

⁶ Hoyt, E. (2001), *Whale Watching 2001: Worldwide tourism numbers, expenditures and expanding socioeconomic benefits: a report for IFAW*.

⁷ For the purposes of this report, 'whale watching' refers to viewing activities of any cetacean species from land, sea or air. Importantly, this refers also to dolphin and porpoise watching activities where they occur in a non-caged, 'wild' environment.

⁸ For the purposes of this assessment, the Pacific Islands region follows SPREP member countries (plus Pitcairn Island) and encompasses 22 distinct countries, states and/or territories across the South and North Pacific Ocean, but excludes Australia, France, New Zealand and the US. French, New Zealand, UK and US territories are included in this assessment. The countries covered are American Samoa, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshal Islands, Nauru, New Caledonia, Niue, Northern Marianas, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis & Futuna and Pitcairn Islands.

Research Methods

The data in this report have been attained primarily through an extensive survey of operators involved in marine-based tourism activities in the 22 countries, states and territories covered by this assessment. In total, 139 operators were surveyed by questionnaire and telephone interviews with a response rate of 32%. Based on this sample size, this represents an appropriate response rate giving a cross section of all countries assessed and provides an adequate basis from which to form baseline estimates for the region. Further data have come from interviews and questionnaires sent to tourism authorities, government agencies, universities, researchers, non-government and inter-governmental organisations in all countries covered by the scope of this project. Thirty-one organisations participated in this study in addition to operators.

The findings in this report aim to provide estimates of growth patterns of the whale watch industry in the Pacific Islands region and form a preliminary overview of the potential for further tourism development. Growth patterns are assessed based on numbers of whale watch participants undertaking whale watching trips in 2005 compared to Hoyt's 1998 figures, and calculated as an annual average growth figure that assumes a constant rate of growth across the seven years from 1998 to 2005 (linear growth).

For the purposes of this report, 'whale watching' refers to viewing activities of any cetacean species from land, sea or air. Importantly, this refers also to dolphin and porpoise watching activities where they occur in a non-caged, 'wild' environment.

An economic estimate is also derived for this report that aims to calculate the value of the Pacific Islands' whale watching industry in 2005 based on expenditure of tourists. This is calculated based on the direct economic expenditure on whale watching activities as well as a conservative estimate of indirect expenditure that can be attributed to the person undertaking the whale watch activity ('whale watcher').

In the calculation of the economic benefits of whale watching there are a range of issues that need to be clarified. The sale of tickets to travel on a whale watching vessel is a gross financial benefit resulting from whale watching. The purchase of food, accommodation and travel expenses (amongst others) to attend a whale watching event can also be attributed (subject to conditions) to whale watching on many occasions. These expenses can be called 'direct' expenditure. In the economic literature 'indirect' expenditure is undertaken when the businesses that earned the direct expenditure spend the revenue on goods and services as inputs to their activities. 'Induced' expenditure occurs when the employees of these business re-spend direct expenditure in the form of wages and salaries.

Estimation methodology for direct expenditure used in the Hoyt report is the same as that used in this report. The Hoyt Report, however, uses a different definition of indirect expenditure. That report, relying on conventions from previous assessments, defines indirect expenditure as expenditure that supports the whale watch trip such as accommodation, transport and food. Direct expenditure is expenditure on tickets and items directly related to the trip itself. We have adopted the same approach to allow direct comparison with that report and other analyses of the economic benefits of whale and dolphin tourism. Induced expenditure, therefore, is not calculated in this research.

Therefore; for the purposes of this study, the following definitions of 'direct value' and 'total expenditure' have been applied.

Direct value of whale watching:

Otherwise called direct expenditure, is the direct whale watch ticket purchase price by participants.

- For *dedicated whale watch participants*, 100% of the country's average whale watch ticket price is multiplied with the total number of dedicated whale watchers (ticket price information taken from operator responses).
- For *opportunistic whale watching*, 50% of the ticket price is multiplied by the number of opportunistic whale watchers, accounting for the fact that whale watching is not the primary reason for purchasing the ticket.

Total expenditure on whale watching:

This is calculated from the sum of direct whale watch expenditure plus the indirect whale watch expenditure by whale watch participants. Indirect expenditure adds expenditure into the local economy that can be attributed to the person participating in the whale watch activity. For example, a tourist may undertake a whale watching trip and one other activity on the same day of their holiday. The expenditure the tourist makes on that day can be in part attributed to the whale watch activity as the tourist may have returned home had that activity not been there to participate in and hence would have resulted in lost expenditure for the local economy.

In order to attribute some of this indirect expenditure to the whale watch industry, an average of attributable additional expenses was calculated for the region as a whole from responses by operators and tourism bureaus. This was estimated conservatively at USD 250 based on daily expenditure on food, accommodation (1 night) and souvenirs. No travel costs are included as it was shown from the research that in most cases, tourists travel to the Pacific Islands region for other reasons than whale watching, and participate in a whale watch tour as an unplanned activity. In order to maintain a conservative estimate of industry value, we therefore have not included these travel costs as a part of indirect expenses.

- For all *dedicated whale watchers*, 50% of the daily indirect expenditure is calculated within the indirect expenditure figure, and added to direct expenditure to attain the total value. This 50% figure therefore reflects a conservative allocation of a proportion of a tourist's daily expenditure to this whale watching activity, allowing for the fact that the whale watcher could participate in another activity on the same day to which the other 50% of expenditure could be allocated.
- For *opportunistic whale watchers*, no indirect expenditure has been included in the total value of the whale watch industry. This reflects the fact that these whale watchers did not intentionally seek out whale watching as an activity, rather that it formed part of another marine tourist activity to which the indirect expenditure would need to be attributed. Once again, this calculation is aimed at maintaining a conservative estimate of the value of the industry.

The total expenditure value of the whale watching industry is an attempt to show the total value of expenditure undertaken by the whale watch participants in the host country. This reflects the fact that there is more economic benefit gained by the host country from the whale watching activity than merely the ticket price of whale watching.

All dollar values in this report are US dollars unless otherwise stated and are based on conversion rates from local currencies that were available at the time of undertaking this research.

Limitations

The data in this report are dependent on the accuracy of responses of operators and organisations contacted. The study was undertaken as a desktop review and without time spent in country. As such, there was little opportunity to give an on the ground reality check to the responses from the 22 countries covered. This room for error has been accounted for somewhat by the multiple data sources used where possible, and averaging responses against other operators in the same country and in other countries.

The scope of the project is intended to ascertain trends in the growth of whale watching in the region, as opposed to precise figures. The data in this report are intended to be read in this light.

Although efforts have been made to keep calculation methodologies consistent with the Hoyt Report, total expenditure figures in this report are based on a more comprehensive calculation methodology and as such, direct comparison between reports should be used for trend analysis rather than for exact expenditure growth. For this reason, the annual growth rate has been calculated using the numbers of whale watchers across the time period as opposed to expenditure levels.

In addition, the scope of this project aimed for initial economic valuations of the industry in the region. As such, some simplifications of methodology have been applied based on key assumptions. More detailed research would be able to give a more accurate estimate of the industry's value, however for the purposes of defining region wide trends, this simplified method is appropriate.

Summary of Findings

The overall status of whale watching in the Pacific Islands region:

Pacific Region Findings:	Numbers of Whale Watchers:	Countries with whale watch operations:	Average annual growth in whale watchers (1998 – 2005):	Estimated direct expenditure on whale watching:	Estimated total expenditure on whale watching:
1998	10,309	9	NA	USD 500,000	USD 1,185,000
2005	110,716	14	45%	USD 7,525,498	USD 21,011,873

The growth of whale watching in the Pacific Islands region:

This assessment has found that cetacean-based marine tourism in the Pacific Islands region has undergone a strong growth period since Hoyt's 1998 analysis⁹. Findings indicate that whale watching now occurs across a wider range of countries than Hoyt's 1998 survey indicated with more people participating. The main findings include:

- The average annual growth rate¹⁰ of whale watching in the Pacific Islands region is estimated to be **45%** for the period 1998-2005¹¹.
- By comparison, over a similar period, Australian and New Zealand whale watch annual average growth rates were estimated at 15% and 11% respectively¹².
- Recent growth in inbound tourism in the South Pacific Region (SPTO member countries) has averaged 8% in 2003 and 2004, well surpassed by the rate of growth in whale watching.
- Total number of whale watchers in the Pacific Islands region in 2005 is estimated at **110,716**. This has grown from **10,309** whale watchers in 1998.
- Of this total number, **Guam** accounts for approximately **84,000** whale watchers.
- Excluding Guam, the average annual growth rate for whale watching in the Pacific Islands region is estimated to be **23%** for the period 1998-2005.
- Whale watch activities were undertaken in **fourteen (14)** countries in the 2005 calendar year. Hoyt found whale watching activities to be occurring in **nine (9)** countries in the Pacific Islands region in 1998¹³.

⁹ Whale watching growth is based on estimates of numbers of 'whale watchers' undertaking whale watch trips in 2005 compared to the numbers estimated by Hoyt's 2001 report. 'Whale watcher' refers to the number of whale watch trips undertaken as opposed to the number of separate individuals undertaking whale watching trips. It is assumed that this has very little effect on final whale watcher numbers due to only a very small proportion of people participating in whale watching greater than once in this time period.

¹⁰ The average annual growth rate (AAGR) is calculated as the average of a series of growth rates that allows the data to grow steadily from the first survey period (1998) and achieve the result specified in the next survey period (2005) (the 'interpolated' period). This interpolation is based on the assumption that growth in whale watcher numbers is constant over all years between 1998 and 2005 in a linear manner. The annual average growth figure is calculated on a country-by-country basis. The regional AAGR is calculated from the average of all 22 country AAGRs.

¹¹ This represents a regional growth rate of 45% each year over the seven year period assessed.

¹² Economists @ Large & Associates (2005), The Growth of the New Zealand Whale Watching Industry: An IFAW Report. – Growth data relates to the period 1998 – 2004.

¹³ The Hoyt report also included the Midway Islands that are not covered by this report as it is not a SPREP member country.

- The countries that have experienced the strongest annual average growth rates include **French Polynesia** and **Guam**.
- Countries with well established industries in 1998, such as **New Caledonia** and **Tonga**, have continued to experience sustained growth.
- Countries that have emerged since Hoyt's 1998 report to have a newly identified, small scale and largely opportunistic whale watching industries include **Papua New Guinea**, **Samoa** and **Solomon Islands**.

The economic value of the whale watching industry in the Pacific Islands region:

- This assessment estimates the total economic value of the whale watching industry in the Pacific Islands region to be approximately **USD 21,011,873**, having grown from a total industry value of USD 1,185,000 in 1998.
- Direct expenditure (as opposed to total expenditure) on whale watching in the region in 2005 is estimated at **USD 7,525,498**, having grown from USD 500,000 in 1998.
- Excluding Guam, total expenditure in the region was **USD 4.8 million**.
- **Guam**, having the largest whale watching industry in the region, accounted for an estimated **USD 16.2 million** of total expenditure.
- The average ticket price for undertaking whale watching in the South Pacific Islands region was **USD 76** in 2005.

The total economic value of the whale watching industry in the South Pacific Islands region in 2005 is based on the sum of direct expenditure and indirect expenditure (see Research Methods section for further detail).

These economic values represent a significant contribution to the economies of South Pacific Island nations. The Pacific Islands region is particularly dependent on tourism as a proportion of Gross Domestic Product (GDP) with tourism contributing up to 49% of GDP in some countries (the Cook Islands¹⁴ - one of the largest contributions in the region) and averages around 17% of GDP for SPTO member countries¹⁵. The economic values presented above indicate that whale watching is making a strong and growing contribution to the region's tourism income.

Dugong and Sea Turtle watching in the Pacific Islands region:

This assessment aimed to also identify the locations of sea turtle and dugong based tourism activities in the region. The following was found:

- Dugong-based tourism is very limited in the Pacific Islands region and was only found on a very small scale, and based most frequently upon opportunistic viewing as part of dive trips. Such tourism was found to occur in **Papua New Guinea**, **Palau**, **Solomon Islands** and **Vanuatu**.
- In **Vanuatu**, there are tourism operators who advertise specifically the ability to swim with a dugong.
- In regards to sea turtles, there are approximately 15 countries where tourists regularly see sea turtles, most often as part of a dive tour.

¹⁴ Hopkins, R., South Pacific – Facts and Figures of Tourism, SPTO presentation, www.spto.org, accessed July 2006

¹⁵ The Pacific Plan: Regional Analysis: Economic Growth: Tourism Summary (2005), www.pacificplan.org, accessed August 2006

The main segments of the whale watching industry in the Pacific Islands region:

This assessment of the whale watching industry in the Pacific Islands region has found an industry consisting of four key segments¹⁶:

Whale watch operator segment:	Description:	Proportion of total whale watchers in 2005:	Example:
Full-time, dedicated whale watching:	Operations running cetacean-based tourism activities year round.	This segment makes up a low number of total operators, however accounts for a large number of the region's whale watchers.	This segment includes a well-established, boat-based dolphin watching industry in Guam taking up to 500 tourists dolphin watching each day (84,000 whale watchers in 2005).
Seasonal, dedicated whale watching:	Operations running full-time whale watch tours in the months when a migratory species of whale is present in local waters. These operations tend to be focused on the humpback whale migration in the South Pacific.	This segment has a higher number of operators than full-time, dedicated whale watch operators, and is more geographically dispersed, occurring in a larger number of countries.	Includes the yacht charter companies of New Caledonia who commit to dedicated whale watching charters in the peak humpback season, and the whale watch industry of Tonga.
Opportunistic whale watching:	Operations running marine-based tours whose primary aim is not the viewing of cetaceans but will divert the intended course of the tour if cetaceans are sighted. Most commonly, these consist of dive operators and yacht or game fishing charters. Often dive operators will divert their course when cetaceans are sighted whilst travelling to or from dive sites and spend some unplanned time with the animals, either swimming with cetaceans or viewing cetaceans from a boat. This in many cases can form a partial attraction to tourists to participate in the activity.	This segment makes up the largest group of operators, however accounts for low numbers of total whale watchers as only a proportion of trips undertaken actually view and interact with cetaceans - in some regions this proportion is high (90% of trips), and in others, low (25%)	This group includes dive operators of Papua New Guinea and the Solomon Islands who operate near resident populations of dolphins and have occasional sightings of large cetaceans.
Land-based whale watching:	Those who watch whales from shore, which has little or no direct expenditure demands on the tourist through ticketing costs.	This segment makes up a low proportion of total whale watchers.	Islands such as Niue and the Cook Islands have the capacity for land-based viewing as large whales migrate close to shore. In the Cook Islands, land-based whale watching is encouraged through daily reports of best viewing locations and a whale viewing platform.

¹⁶ 'Segment' refers to distinct groupings of actors making up a part of the wider whale watching industry and is used in this context to differentiate the key groupings of industry participants.

This information is provided to encourage a broader understanding of the dynamic of the industry in this region. Overall, this segmentation is typical of whale watching industries found in other regions.

Recent tourism growth in the Pacific Islands region:

Due to restrictions with data availability, data in this section refers to South Pacific members of the SPTO¹⁷ as opposed to the broader Pacific Islands region addressed in this report (covers 12 of the 22 countries assessed in this report). Tourism data aggregated for the 22 countries reviewed in this study were not available. As a proxy for the region, we have chosen to use the best available date as prepared by SPTO.

Tourism in the South Pacific has witnessed strong growth in recent years despite difficult times globally for the tourism industry. In 2004, there were approximately 1.18 million tourist arrivals (to the 12 SPTO member countries) and the industry in 2003 was valued at USD 1.23 billion. 2003 saw growth of 7.3% when world tourism contracted by -1.3%¹⁸.

The SPTO predicts that tourism in the region will continue to grow at above global rates in coming years. Such forecasts indicate a strong climate for growth of niche market segments in the region such as whale watching. An emerging niche market is more likely to succeed in a climate of broader market growth. Further international inbound tourism forecasts for the region support this growth trajectory. The Pacific Asia Travel Association forecasts international arrivals growth in the Asia Pacific region in the years 2006 – 08 at just below 8%¹⁹. The SPTO has set a target of achieving USD 2billion in tourist revenue by 2010 (2004: USD 1.5 billion)²⁰.

Regional tourism growth in the South Pacific	2003	2004	2005 (predicted)
Inbound Tourism Growth	7.3%	8.9%	8%
Inbound Tourist Arrivals	1.08 mil.	1.18 mil.	1.28mil.
Inbound Tourist Arrivals	USD 1.23 bil.	USD 1.5 bil.	

Source: Hopkins, R., *South Pacific – Facts and Figures of Tourism*, SPTO presentation, www.spto.org, accessed July 2006

¹⁷ SPTO Data – refers to the SPTO member countries – Cook Islands, Fiji, Kiribati, New Caledonia, Niue, Samoa, Solomons, French Polynesia, Tonga, Tuvalu, Vanuatu and Papua New Guinea

¹⁸ Op.Cit. Hopkins, R.

¹⁹ Pacific Asia Travel Association (2006), *Asia Pacific Tourism Forecasts 2006-08*, www.pata.org

²⁰ SPTO (2007), *Annual Report 2006*, south-pacific.travel

Country-by-Country Results

Estimated Growth Rates and the Value of Whale Watching in the Pacific Islands Region: 1998 – 2005

The table below sets out the findings of this on a country-by-country basis.

Country	Estimated numbers of whale watchers 1998	Estimated numbers of whale watchers 2005	Annual average growth rate (1998-2005)	Average Ticket Price (USD)	Direct Economic Expenditure (USD)	Total Economic Expenditure (USD)
TOTAL:	10,309	110,716	45%	76	7,525,498	21,011,873
American Samoa	None identified	Minimal	0%	-	Minimal	Minimal
Cook Islands	Minimal	3715	64%	46	9,890	474,265
Federated States of Micronesia	230	Minimal	0%	-	Minimal	Minimal
Fiji	Minimal	Minimal	0%	80	Minimal	Minimal
French Polynesia	1,000	6,000	30%	94	564,000	1,314,000
Guam	4,000	84,000	70%	68	5,712,000	16,212,000
Kiribati	None identified	None identified	NA	-	None identified	None identified
Marshal Islands	None identified	None identified	NA	-	None identified	None identified
Nauru	None identified	None identified	NA	-	None identified	None identified
New Caledonia	1,695	4,906	17%	85	417,010	1,030,260
Niue	50	270	28%	32	7,360	41,110
Northern Mariana Islands	None identified	Minimal	0%	-	Minimal	Minimal
Palau	None identified	Minimal	0%	-	Minimal	Minimal
Papua New Guinea	Minimal	600	17%	75	22,500	22,500
Pitcairn Islands	None identified	None identified	NA	-	None identified	None identified
Samoa	Minimal	725	20%	51	18,488	18,488
Solomon Islands	Minimal	500	14%	145	36,250	36,250
Tokelau	None identified	None identified	0%	-	0	0
Tonga	2,334	9,000	22%	82	738,000	1,863,000
Tuvalu	None identified	None identified	NA	-	None identified	None identified
Vanuatu	None identified	None identified	NA	-	None identified	None identified
Wallis & Futuna	None identified	None identified	NA	-	None identified	None identified

NB: For the purposes of this report, where the country findings are 'Minimal', whale watchers are estimated at 200. However, as this small number is difficult to define precisely, no economic value has been assigned for those whale watchers.

Conclusions

The potential of the whale watching industry in the Pacific Islands region:

This region wide review has found that whale and dolphin watching in the Pacific Islands region has grown into an important and valuable contributor to the economies of coastal communities in the region. The high recent growth rate demonstrates a strongly emerging industry which has become a well established element of the tourism sector in several Pacific Island countries and territories.

There are good indications that the industry has the potential to continue the strong growth trajectory it has demonstrated in the region since 1998. Furthermore, the expansion in whale watching tourism could encompass more countries and territories if regional tourism markets can continue to develop and if knowledge about the occurrence of cetacean species in the region is improved. There are, however, some constraints on growth.

Findings from this research indicate that the size of the whale watching industry in any part of the Pacific Islands region is proportional to the combined elements of:

- accessibility and reliability of cetacean sightings, and
- an adequate base of international inbound tourists within the country.

Key constraints to further development of whale watching in countries where cetaceans exist include low numbers of tourists (often due to accessibility difficulties, such as high travel costs and lack of connection to international markets, or an undeveloped tourism industry without sufficient infrastructure) and/or lack of marine-based tourism operators.

In countries where there is a strong tourism market, but low whale watching numbers, operators report that this is primarily due to the inconsistency of cetacean sightings or a lack of information regarding the presence and abundance of cetacean populations in particular areas.

Due to the time and expense required to access many of the countries in this region, whale watching is an activity that complements, and at times forms an important part of, an existing tourism industry. It is only in rare cases where whale watching forms a dominant tourism draw card where tourists will travel with the primary purpose of seeing whales (i.e. Tonga's Vava'u Islands). It is likely that due to the geographic remoteness of the region, whale watching will continue to grow on the back of an existing tourism industry. Therefore, the growth of tourism (as well as cetacean occurrence and abundance) is a precursor to a successful whale watching industry in the region.

Nevertheless, the presence of cetaceans in a country's territorial waters can and often does add significant indirect value to the Pacific Islands, particularly through marketing. Cetaceans are frequently seen in Pacific Island marketing materials used by both tourism authorities and private operators. The association of cetaceans with unspoiled nature is a major draw card to the region. These intangible values can hold significant additional attraction to the region and hence provide an additional economic benefit. There is no attempt to place a dollar value upon these intangibles within this report.

Key challenges to address:

It is likely that the whale watching industry in the Pacific Islands region will continue on its growth trend in the coming years on the condition that the forecast growth of tourism in the region is achieved. If the continued growth is to be realised, there are several key challenges that need to be addressed which could otherwise limit the continued expansion of the industry in the Pacific Islands region:

- Regional tourism markets need to continue to grow and develop, particularly in countries where there is a known occurrence of cetaceans but low levels of tourism infrastructure and inbound international arrivals.
- There is a need to improve knowledge about the presence of marine mammal species in countries where sufficient data does not yet exist. This would assist in providing tourist marketing boards an additional value-add in order to lure tourists to a particular region, allow governments to focus infrastructure and accessibility, and thus facilitate tourism development in appropriate areas. With an enhanced knowledge of cetacean populations, it could give greater certainty of accessing viewing opportunities for marine-based operators.
- There is a need for research to be undertaken to review the sustainability of whale watch operations in countries where marine mammal populations may be experiencing pressure from the number of tourism operators. The tourism segment that travel for such nature experiences are sensitive to conservation and animal welfare related issues, particularly those tourists who travel specifically for whale watching (e.g. visitors to Tonga's Vava'u Islands²¹). If the industry in the region is perceived to be harassing and/or harming cetaceans, the reputation damage could have a detrimental impact on the industry in the entire region or at least within the country itself.
- More detailed economic studies of the mature whale watching destinations would give a clearer idea of what is a sustainable level of growth of whale watching by clarifying if those mature whale watch industries have in fact reached saturation, stagnated or continue to grow at similar rates. Furthermore, such studies could extract relevant lessons that have been learnt for the successful development of whale watching in other countries. Such lessons could be compiled as a 'road map' of sorts for application within other countries.
- And finally, a key limitation of the whale watch industry is the presence or abundance of cetaceans, and hence it is clear that for a healthy whale watching industry, cetaceans must be protected in the territorial waters of the region, and protection also extended to those migratory species (particularly humpbacks) that are so heavily relied upon as the basis of much of the industry in the region. Concerns were raised by whale watch tourism operators through the course of this research on the impacts that humans could be having on the region's cetacean populations, through issues including waste disposal at sea, fisheries bycatch and whaling.

²¹ For more details regarding tourist profiles in Tonga, see: Orams, M.B. (1999), *The Economic Benefits of Whale Watching in Vava'u, The Kingdom of Tonga*, Centre for Tourism Research, Massey University at Albany, North Shore, New Zealand.

Recommended Further Research

A key goal of this research was to assess the potential for further whale and dolphin watching tourism in the Pacific Islands region, including identifying the specific needs to further the development of a sustainable whale and dolphin watching industry across the region.

Below is a list of recommendations relating to research that would assist in facilitating the continued growth of the industry. For all of these recommendations, improved knowledge of cetacean occurrence and abundance levels across the region would play a significant part and assist to achieve the combined goals of cetacean conservation and the development of a sustainable marine tourism industry based around cetaceans.

Recommendations:

Country case studies:

- In depth country case studies would be useful to review the evolution of the whale watching industry from the perspective of countries that have been most successful in its growth and development. Such a study could focus on two or more countries that have successfully established a whale watch industry (e.g. Tonga, New Caledonia, Guam, French Polynesia) and could aim to record the lessons learnt from those countries, both positive and negative, that are broadly applicable to other countries in the region.
- These lessons could then be passed on to countries with newly emerging industries who wish to develop their own industries further, or who wish to assess whether or not such an industry would be viable within their own context.
- Such lessons would refer to issues such as required regulations and legislation to support the industry, effective targeted marketing strategies, appropriate whale populations for forming the basis of an industry, “carrying capacity” of a whale population in terms of operator and tourist numbers, and best practice for industry and operator management.

Whale watching ‘road map’:

- As an outcome of the above country case studies, it would be useful to compile a ‘road map’ for developing the whale watching industry. Such a document could contain the elements required from which to build such an industry (whale watching ‘checklist’), as well as the lessons learnt from other countries that have successfully developed an industry. This would be presented as a guide for assisting countries to develop their emerging whale watching industry. Although each country is a different case, this could be useful to highlight some of the key universal lessons and to prevent mistakes.
- Such a document would contain a checklist for governments, tourism bodies and operators useful to assess the potential of whale watching in their region. Although no level of regulation or subsidisation can force a successful industry to develop, the ‘road map’ could provide some detail of what is required as a minimum for an industry to grow with a focus on broadly applicable lessons.
- The use of case studies would be the logical precursor to the development of such a ‘road map’.

Applying the road map:

- To follow on from the previous recommendation, a further study could be undertaken looking in detail at a country with a small whale watching industry, assessing its current status in detail against the 'road map', and provide recommendations for how governments, tourism bodies and operators should best go forward to further develop the industry. Importantly, this recommendation would need the support of government, tourism bodies and operators who are committed to pursue the development of a local whale watching industry.

Region wide guidelines:

- As the industry is growing at such a fast rate across the region, it is critical that cetaceans are being protected from excessive human impacts, particularly as some species are migratory across the region. Some of the countries with the largest whale and dolphin watching industries have already implemented guidelines for the conservation of cetaceans and management of whale watching within their territorial waters. It would be useful to implement a set of standardised whale and dolphin watch guidelines across the region so as to assist in building on the reputation of high natural values.

Impacts of cetacean watching study:

- Critical to any successful whale watching industry is the minimisation of impacts on the animals themselves. In conjunction with any other studies, research is required to assess whether any such impacts are occurring in countries with high numbers of whale watchers, in order to prevent potential damage to the recovery of cetacean populations, as well as future reputation damage to the industry.

Humpback contribution to the Region's whale watching:

- Further research would be valuable to ascertain what proportion of the region's total value from whale watching is due to the existence of humpback whales and their annual migration. Quantifying the value of the humpbacks in the Pacific Islands region is of particular importance at this time when Japan's JARPA II whaling program is soon to commence with an expanded hunt that includes humpback's in the Southern Ocean and potentially the same populations that migrate to the Pacific Islands.



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