



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Opportunities for NZ in Tourism and Education as French Polynesia rebounds

A MARKET INTELLIGENCE REPORT

Summary

- French Polynesia's economy is recovering well from COVID-19 with **GDP growth predicted to be between 3-4%** in 2023. This is founded on a strong rebound of tourism which is back to pre-COVID levels. In addition to opportunities in the tourism there opportunities for New Zealand in the **vocational and tertiary training** sector.

Report

Potential for political change

French Polynesia has territorial elections on 16 and 30 April 2023. It is not certain that the incumbent pro-France Tapura government will be re-elected, pro-independence party Tavini may gain ground. This may lead to some policy changes, for example the Pro-independence Tavini is in favour of implementing a personal income tax which does not currently exist. However, political change is unlikely to have a significant, long-term impact on French Polynesia's economic outlook.

3-5% GDP growth predicted based on strong tourism rebound

Political uncertainty is not impacting on strong demand in the tourism sector. Visitor arrivals have already exceeded pre-COVID-19 levels and are expected to continue to increase this year. As tourism dominates the economy (15% of GDP and 20% of jobs) this is leading to strong overall growth. Employment is back at pre-COVID-19 levels and both the Ministry of Finance and the central bank of the French Pacific (IEOM) are **predicting GDP growth of between 3-4% this year.**

Tourism sector infrastructure

Most visitors are coming from the US and Europe, and airlines have responded to demand by putting in place additional flights. Air France, United, Delta, FrenchBee, and Air Tahiti Nui all fly to the US west coast (Los Angeles, San Francisco, and recently also Seattle) with a combined total of **23 flights from the US per week.** The IEOM expects these markets to be price insensitive and to be resilient to drops in the US dollar, given the luxury tourism product that French Polynesia offers and the high income demographic of visitors.

The Air New Zealand Papeete-to-Auckland route has so far resumed two of its three weekly pre-COVID-19 flights. (In contrast to other routes, seventy percent of sales on this route originate in French Polynesia so are visitors to or transiting through New Zealand onto other Pacific destinations or Australia.)

Following the closure of several large hotels during COVID-19, hotel capacity is below visitor demand. This has resulted in strong growth in families offering BnBs. A new Kontiki hotel is opening in Papeete and two other large hotels that closed during COVID-

19 are expected to be purchased by new owners, refurbished, and re-opened in the next 1-2 years. Furthermore, the recently approved Tahitian Village project is expected to supply an additional six hotels before 2030.

The government is investing in small scale infrastructure such as wharves and visitor information centres on outlying islands to support the expected growth in visitors. A tariff exemption on construction materials has been put in place to help offset inflation on construction materials.

Launch of new tourism strategy ‘one tourist for every resident by 2027’

Reflecting the importance of tourism to the economy, President Fritch also holds the tourism portfolio. Fritch has recently [launched a new sustainable tourism sector strategy](#) which focuses on attracting more longer-stay, higher-value tourists and seeks to grow to no more than **one tourist for each person in French Polynesia, or 280,000 visitors per annum in 2027**. French Polynesia’s record annual visitor numbers were in 2019 when 236,000 people visited the territory.

The new strategy includes diversifying the market away from couples to a diverse range of other market segments. This includes sports tourism, agritourism, astrotourism (dark sky sanctuary), “handicap and silver friendly” tourism, and tourism related to French Polynesia’s WW2 history. The strategy also focuses on sustainable tourism that benefits local communities through infrastructure, environmental benefits, and income generation, and which affirms and supports cultural identity and traditions.

Further tourism workforce training is priority and a [tourism school](#) has been established at the [Campus of Trades and Qualifications of French Polynesia \(CMQ\)](#). The school is interested in tourism sector specific online English language training.

French Polynesia also aims to develop digital services for visitors. App-based e-scooter rentals are available but personal electric vehicles are not yet common.

French Polynesia is planning to participate in the South Pacific Tourism Exchange in May in Christchurch.

Food and beverage

French Polynesia imports food and beverage products from Europe, the US and New Zealand. (There are no direct freight links with Australia and the small amount of maritime and air freight from Australia is shipped via New Zealand.)

Supermarkets in the greater-Papeete area (where approximately 75% of the population

lives) are well supplied with New Zealand products such as snack foods (crackers, chips, nuts etc.), wraps, dairy products (cheese, ice cream, individual flavoured milk), meat (New Zealand lamb is particularly well regarded), non-meat alternatives, fruits and vegetables. American snack foods are also stocked.

Beer, rum, and soft drinks are produced locally in addition to a small local fresh milk producer. French wines and liquors dominate the alcohol market, but New Zealand white wines (sauvignon blanc and chardonnay in particular) are well regarded and available in supermarkets.

The food and beverage sector is experiencing high inflation (the freight prices of containers have increased fourfold) and there is political interest in developing greater food self-sufficiency. Arable land is however in short supply and the government is focused on developing aquaculture (rock oyster, multi-trophic prawn, seaweed, and sea cucumber farms) for both domestic consumption and export. The government has set aside 32 hectares around Tahiti Iti for aquaculture development and is also investigating the feasibility of sea ranching opportunities on outer islands.

Interest in New Zealand vocational training

The maritime sector industry body, the Maritime Cluster, is seeking **training from New Zealand for captains and chief engineers**, as local qualifications are limited to 3,000 kilowatt sized vessels. Post has passed on information about New Zealand's seafaring training and qualification sector.

The French Polynesia Chamber of Commerce and Industry, Services and Trades ([CCISM](#)) is a well-resourced, publically funded provider of business development services, training, and advice to businesses and government. The CCISM has branches in several of the outlying archipelagos and also offers a business-focused online marketplace [Sell Buy Rent | CCISM](#).

CCISM recognises the importance of English language skills for the workforce and business and is interested in online English language training (particularly in customer service, hospitality, tourism, and technical support) and business training in English. In addition to training delivered remotely, CCISM is interested in partnering with New Zealand business schools to develop shared training and teaching and student exchanges.

CCISM also offers a **coding hub**, the [Poly3D School | CCISM](#) focused on building capability in video gaming, 3D animation, special effects, sound design, and programming. Participants of the Poly3D School have worked on the TV series House of the Dragon.

Lastly, part of the qualifications offered by CCISM require practical work experience so they regularly look for businesses in New Zealand prepared to host students for short term work experience. Target sectors are **tourism, business services, sales, account management, and computer animation.**

Tertiary links

The University of French Polynesia is interested in developing Erasmus-type staff exchanges with New Zealand and Australian universities, and developing mutually interchangeable academic courses in the areas of **public policy, ocean sciences, the blue economy, tourism, hospitality and Polynesian languages.** The university has significant resources to support the development of these links notably **11 million euros of funding from France to develop courses in new sectors and strengthen cooperation within the region.** They are also exploring accessing the French [Pacific Fund](#) for projects with a New Zealand partner that support the integration of the French Pacific into the region. This funding could be used to develop staff exchange programmes, joint research programmes, or joint online courses. The university has an existing relationship with Victoria University but given their areas of interest Auckland University and [Te Pūkenga](#) might also be of interest.

Comment

French Polynesia's strong tourism-led recovery from COVID-19 looks set to continue in 2023 and provide steady demand for New Zealand food and beverage products. It is expected to accelerate, due in part to the 2024 Summer Olympics' surfing event, which will be held in Teahupo'o.

French and local interest in collaboration with New Zealand in vocational and tertiary training also provides opportunities for New Zealand, particularly in the tourism, business, marine, and public policy sectors.

Public procurement websites

- <https://lexpol.cloud.pf/LexpolMarchesPublics.php>
 - Public health <https://www.service-public.pf/dsp/appels-offres/>
 - Land use <https://www.service-public.pf/daf/category/marches-publics/>
 - Agriculture <https://www.service-public.pf/dag/marches-publics/>
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