



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

NOVEMBER 2023

Samoa tourism shows strong recovery

MARKET INTELLIGENCE REPORT

Summary

- Samoa is riding a period of positive growth with total arrival numbers close to pre-covid levels, 12 months on from border reopening.
- Earnings from Tourism is tracking at 84.84% recovery rate when compared to the 2018/19 period (pre-covid).
- The biggest spenders continue to be the Visiting, Friends and Relatives (VFR) and tourists travelling for holidays in Samoa, with the primary markets of NZ and Australia accounting for the bulk of travellers.
- Samoa is now entering the traditionally low demand portion of the season (October - April). Samoa Tourism Authority (STA) will assess the information gathered during and post low demand period, to inform how much of the travel calendar has really changed since borders reopened.

Report

Strong recovery

A year since reopening (Sept 22nd 2022) its borders, the Tourism industry in Samoa is experiencing a positive 'growth' period. Total arrivals for the first 12 months (Aug, 22 – Jul, 23) since border reopened shows arrival numbers sitting at 141,925, compared to 183,970 in 2018/19. Just 22.85% shy of matching 2018/19 arrival numbers for the same period.

There was an expectation that a bent up demand from travellers (VFR and visitors) particularly from traditional source markets such as NZ and Australia, would account for the majority of arrivals immediately following borders reopening. However, the longevity in which the demand has maintained and continues to grow is extremely encouraging for the industry.

Supporting the strong growth in arrivals, is Samoa maximising on events that were postponed from 2021 due to border closures such as the International Va'a Federation World Distance Paddling Regatta, held in Apia, in August 2023. This international event saw groups from 17 countries from around the world partake in this paddling World distance regatta. Estimates from the organisers put the return on investment for Samoa, at around SAT\$10 million. In addition to international events, a multitude of church and government conferences, bestowing chiefly titles, family reunions, weddings and music concerts has filled up accommodations across Upolu and Savaii over the last 12 months, providing a boost to the economy and reviving the industry at pace.

Earnings/ aviation

Earnings for the period Aug 22 – Sept 23 has amounted to SAT\$473.8m which accounts for a 84.84% recovery rate when compared to the SAT\$554m for the same period in 2018/19 (pre-covid).

The biggest spenders continue to be the Visiting, Friends and Relatives (VFR) and those travelling for holidaying in Samoa. With the primary markets of NZ and Australia accounting for the bulk of travellers.

The total average spend per visitor during post COVID travel period is around \$3341, exceeding the pre-covid spend average of \$3040 per visitor. While this is a notable increase, it remains to be seen if the additional spend is inflation related.

Comment

The strong arrival numbers has contributed extensively to the economy and looks to shorten the initial recovery period from 5 years to 3years to achieve pre-covid arrival/earning figures.

Whilst arrival /earning data has reported strong growth, it is also interesting to note that for both, figures peaked in June and May respectively and have since both recorded lower figures since. The October to April period is traditionally cited as the low demand season. The question of whether bent up demand has died down will be evident in the arrival and earning data for this period. Similarly the data from this period will also further inform how much of an impact Covid has had on the travel market.

The industry continues to address challenges which were amplified by COVID. These include the workforce shortage and the upgrading/maintenance of properties. In addition the majority of properties continue to operate under debt distress. This will ensure an interesting recovery period ahead and whether the demands around the hosting of CHOGM will force the Government to step up and provide much needed assistance in these areas.

CHOGM is the main priority for the Government of Samoa from now until October 2024. Aotearoa New Zealand's support through our bilateral investment in the tourism sector under the Samoa Tourism Recovery and Resilience activity, will provide some support to Samoa to host a successful CHOGM.

With labour shortages continuing to challenge Samoa's tourism sector, opportunities exist for businesses that provide support services to the tourism sector to reduce administrative burden and automate processes. Businesses familiar with delivering cultural and natural experiences may find opportunities in Samoa as it seeks to pivot away from 'sun and sands' style tourism and target new niches. Some businesses have also had success at introducing new brands to Samoa including a greater variety of imported premium food and beverage brands. More than a year after the border opening the island still experiences periodic shortages in staples such as onions, rice and chicken which has impacted customer experiences, as such there are opportunities for New Zealand food and beverage exporters at both the basic and premium end of the market ahead of the next peak tourist season.

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