



What's happening in the Oceania region?

A viewpoint from French Polynesia

Vincent DROPSY

- *Professor of Economics, University of French Polynesia (UPF)*
- *Codirector, Center for Tourism Studies in Oceania-Pacific (CETOP)*
- *Chair, French Polynesia FPTPEC Committee (France Pacific Territories National Committee for Pacific Economic Cooperation)*

<https://www.pecc.org/about/member-committees#France>

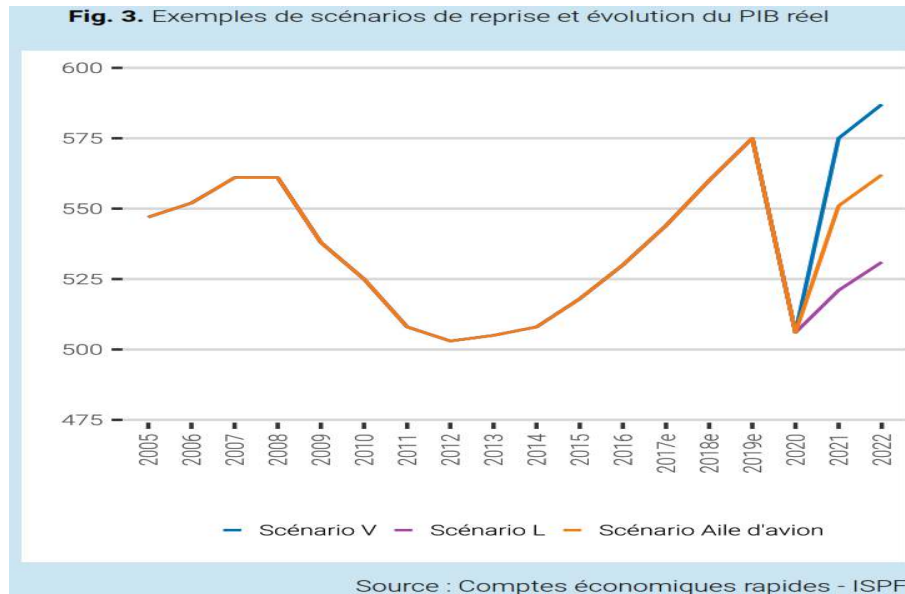


FRENCH POLYNESIA

- Latest economic & trade conditions
- Latest trends in tourism
- Issues and vulnerabilities faced by the destination
- Objectives of the 2022-2027 sustainable and inclusive tourism strategy (“Fari’ira’a Manihini 2027”)

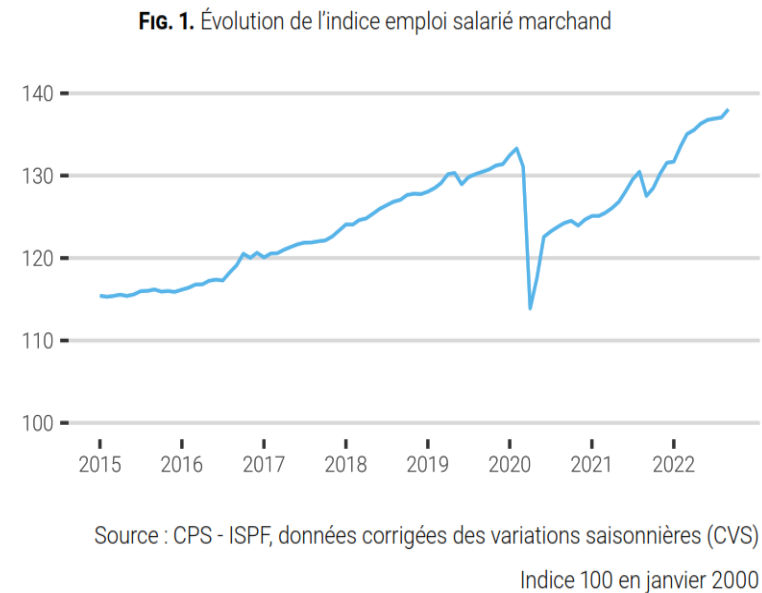
FRENCH POLYNESIA : latest economic conditions

- Strong impacts of 2008 and 2020 economic crises ... despite massive financial aid from the French State



Real GDP (2005-2020)

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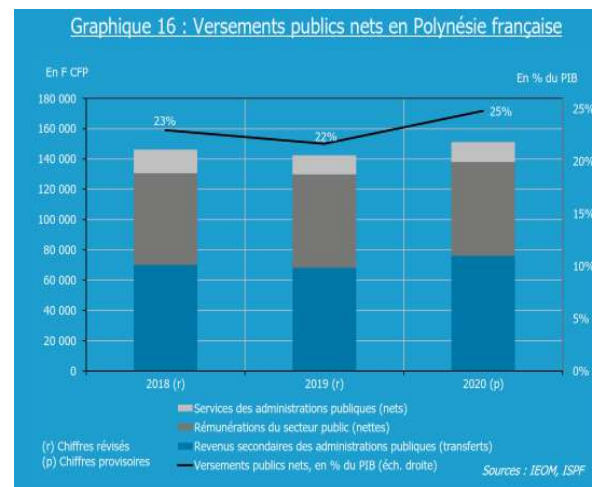
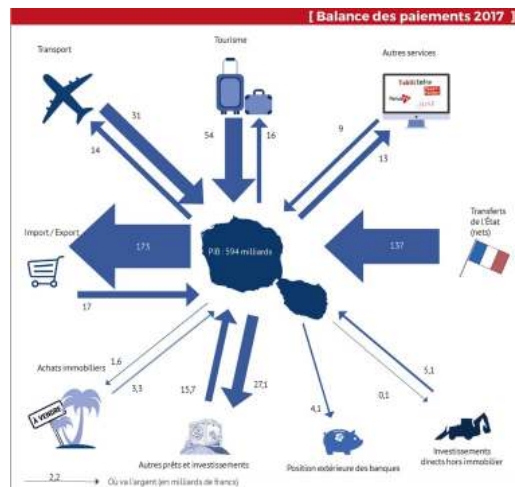


Employment (2015-2022)

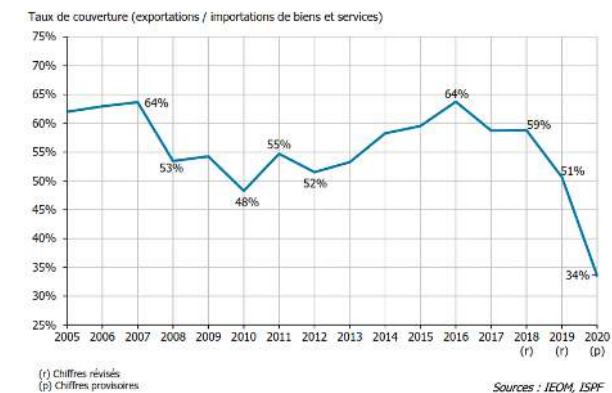
Source : www.ispf.pf

FRENCH POLYNESIA : latest trade conditions

- Huge trade imbalances (about 1/3 GDP) financed by transfers from the French State since the 1960s (CEP).
- Collapse of export/import ratio (G&S) in 2020.



Graphique 2 : Taux de couverture global des biens et services

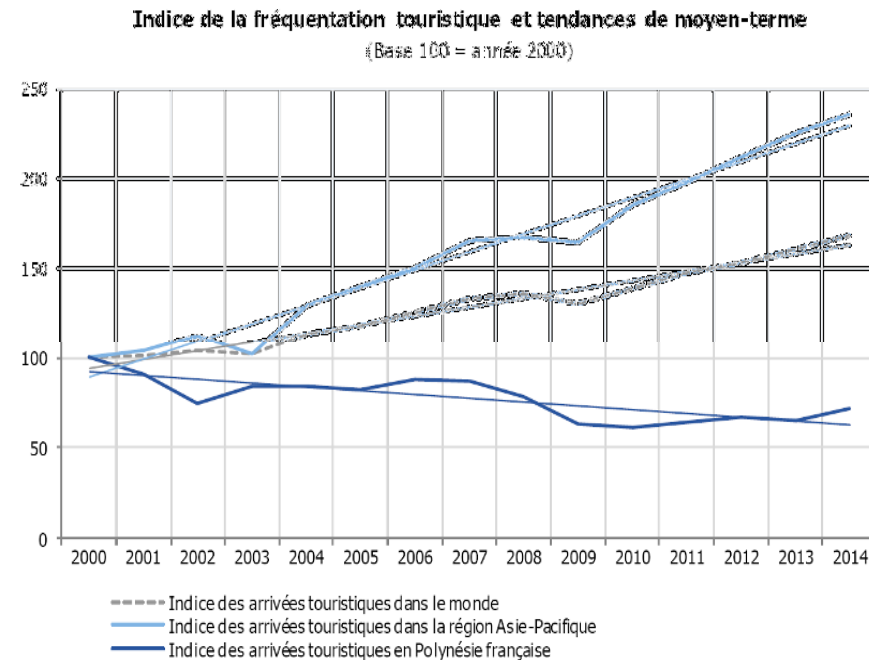
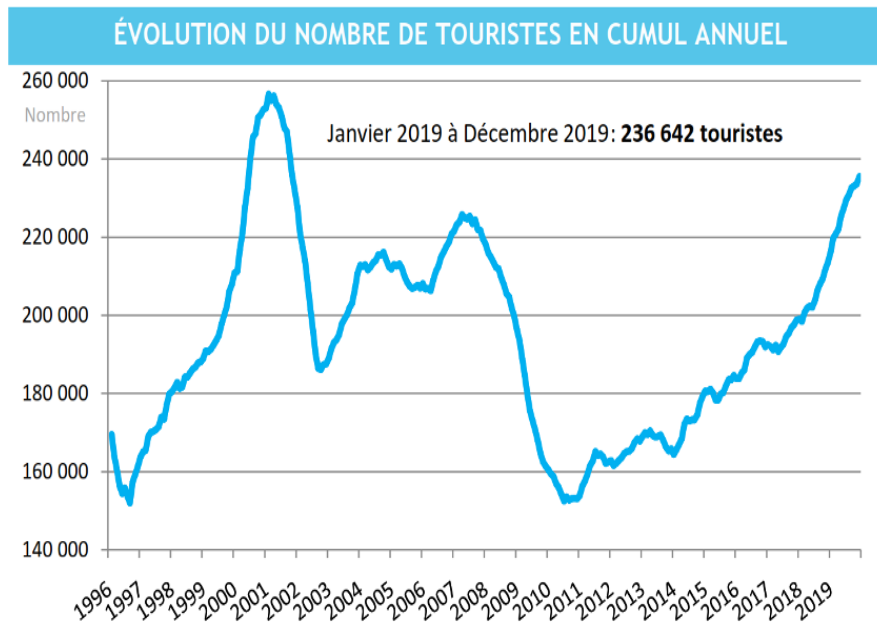


Source : « La Balance des Paiements de la Polynésie Française », IEOM.

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FRENCH POLYNESIA : long-term trends in tourism

- Lack of competitiveness : erratic number of arrivals



Source : « Points Conjoncture : Tourisme », ISPF (2020) / « La Polynésie Française en 2015 », IEOM, (2016).

Sources : IEOM, ISPF, Douanes



FRENCH POLYNESIA : long-term issues and vulnerabilities

- The "3-D challenge" of Pacific islands:
 - **Density**
=> few economies of scale => higher costs of production
 - **Distances**
=> higher transportation costs (goods = trade; people = tourism)
 - **Divisions**
=> geographical (isolation), economic (customs barriers) division
=> high cost of living (protectionist taxes)
... => reduced competitiveness => weaker exports of goods and service => lower standards of living and lower economic growth

FRENCH POLYNESIA : latest short-term trends in tourism

- Strong rebound in 2022 (due to rising US\$ and GDP)





FRENCH POLYNESIA : short-term issues and vulnerabilities in tourism

- Likelihood of decreasing “revenge travel” in 2023
- Large increase in airfares and tourism prices (inflation?)
- Likelihood of lower world economic growth (recession?)
- Weakness of Asian source markets for tourism & lack of diversification (47% USA, France 35% in 2022)
- Increase in air connections, but decrease in the number of hotel rooms available (“chicken and egg” syndrome)



FRENCH POLYNESIA : long-term issues in tourism and methodology of the 2022-2027 sustainable and inclusive tourism strategy (“FM 2027”)

- Issues
 - Prevalence of 2 source markets (USA, France)
 - Complexity of the destination (geographical dispersion, connectivity)
 - Lack of structure in the tourism industry (segmentation)
 - Lack of value added and infrastructure for historical and cultural sites
- Methodology to elaborate “FM 2027”
 - Consultation & co-construction with stakeholders and the population
 - Collaboration for 2 years (context study, benchmarking, evaluation, ...)
 - Consolidation and adaptation to latest developments



FRENCH POLYNESIA : objectives of the 2022-2027 sustainable and inclusive tourism strategy (“FM 2027”)

- Objectives
 - Diversify and develop tourism offers (innovations, uniqueness)
 - Commit to sustainable tourism (reference for other islands)
 - Create permanent jobs in all the archipelagos (inclusiveness)
 - Diversify the source of tourist flows (towards Asia and the Pacific)
- Expected impacts
 - Authentic tourism with a focus on experience
 - Professionalization of tourism services
 - Leadership in eco-tourism in the South Pacific
 - Variety of experiences and archipelagos



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*Thank you for your
comments and
questions ...*

