

Climbing a coconut tree, Tarawa, Kiribati.

DESTINATION INFORMATION AT A GLANCE

POPULATION:

119,900 (2020).*

CAPITAL:

Tarawa (Tarawa atoll—2,200 kilometers (km) north of Fiji, 4,000km southwest of Hawaii.)

OFFICIAL LANGUAGES:

English is the official language but is not widely spoken outside Tarawa. Most I-Kiribati speak Gilbertese.

CLIMATE:

Hot and humid equatorial climate. Year-round temperatures between 25°C and 32°C.

CURRENCY:

Australian dollar (A\$). The local economy is predominantly cash.

ENTRY AND VISA REQUIREMENTS:

Citizens of 73 countries and territories can enter Kiribati without a visa, including Australia, the European Union, New Zealand, the United Kingdom, and the United States.

GEOGRAPHY:

33 low-lying coral atolls with a total land area of 810 square km spread across 3.5 million square km of ocean. Kiribati has three main island groups—the Gilbert, Line, and Phoenix Islands. Most of the population is concentrated in the Gilbert Islands.

*Asian Development Bank. 2021. *Key Indicators for Asia and the Pacific 2021*. Manila.

Kiribati

PACIFIC TOURISM SECTOR SNAPSHOT | NOVEMBER 2021

INTRODUCTION

With 33 coral atolls spanning all four hemispheres, the Republic of Kiribati is a small but emerging tourist destination. It boasts a rich marine diversity and many pristine islands and lagoons, offering tourists an array of activities including game fishing, swimming, snorkeling, and diving, as well as unique culture.

The public sector dominates Kiribati's economy, and the contribution of tourism is small. Tourism contributed around \$9.2 million in receipts in 2018. Estimates of the sector's contribution to gross domestic product vary from 5% to below 2%.¹ Tourism employed an estimated 449 I-Kiribati in 2019, which represents just under 2% of the country's total workforce.²

The Government of Kiribati has outlined its vision to develop a high-yield and sustainable tourism sector. To realize this vision, several constraints to tourism—including pollution, water scarcity, difficult international connectivity, and unsustainable development, as well as the existential threat of climate change—must be addressed as part of a long-term national strategy.

- 1 The Pacific Tourism Organisation (SPTO) (2020) estimates \$9.2 million in tourism receipts and a 5.1% contribution to gross domestic product. The Asian Development Bank (2021) estimates that tourism contributes below 2% of gross domestic product.
- 2 Estimates based on data from SPTO (2019 and 2020).

TOURISM SECTOR OVERVIEW

Note: this overview compiles key tourism information based on the most recent available data. Due to the impact of the coronavirus disease (COVID-19) on the tourism sector, some of this information has likely changed.

TRANSPORT AND CONNECTIVITY

Before the COVID-19 pandemic, direct air services connected Tarawa to Funafuti, Honiara, Nadi, Nauru, and Majuro. These routes were serviced by four airlines—Air Kiribati, Fiji Airways, Nauru Airlines, and Solomon Airlines—with around two-thirds of passengers traveling via Fiji Airways. Kiritimati was connected by Fiji Airways' weekly flight between Nadi and Honolulu.

Air Kiribati services most domestic air travel. The airline operates four aircraft in the Gilbert Islands and one in the Line Islands. Coral Sun Airways, a privately owned airline, operates a small domestic aircraft in the Gilbert Islands on a charter basis. There are no domestic flights between Tarawa and Kiritimati—the most expedient route is an international flight via Nadi.

Travel within island groups is mostly by sea. Boat travel to Tarawa's nearest islands is often quicker and easier than flying—Abaiang, for example, is only two hours by sea. There are also high-speed boats available for charter. However, poor infrastructure—piers, ports, ramps, and wharves—on the outer islands makes some interisland trips difficult, particularly in poor weather. Work is underway to improve maritime infrastructure on the outer islands.³

Domestic travel within Kiribati is significant. In 2020, a total of 63,954 I-Kiribati and foreign workers travelled domestically within Kiribati. The majority (63%) travelled by sea compared to 37% by air. Most domestic air travel is within the Gilbert Islands from Tarawa to Abemama, Tabiteuea North, and Marakei (Tourism Authority of Kiribati [TAK] 2021).

Public transport in Tarawa consists of several 15-seater public service vans. Tourists can hire cars, motorbikes, and bicycles. There is no public transport on Kiritimati or in the outer islands. Motorbikes and bicycles can be hired, usually through accommodation providers. Hitchhiking with locals for a small fee is not uncommon.

ACCOMMODATION

In 2019, Kiribati had 52 accommodation providers with a total of 926 beds. Nearly 60% of accommodation is in Tarawa, with a further 25% in Kiritimati (TAK 2021). In the outer islands, accommodation supply is limited to around 150 beds. Accommodation in Kiribati consists primarily of guest houses, lodges, and *buyas* (traditional I-Kiribati houses). In Tarawa, a few larger hotels cater to international business travelers. Annual occupancy is estimated at between 60% and 70% in Tarawa and is reportedly much lower on the outer islands (TAK, consultations with author, 2020 and 2021).

³ See www.adb.org/projects/53043-001/main and <https://projects.worldbank.org/en/projects-operations/project-detail/P165838>

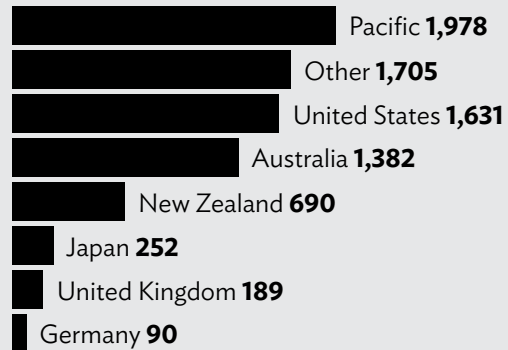
Box 1: Kiribati Key Visitor Statistics (Air Arrivals)

Air Arrivals (2019)

7,917 visitors.

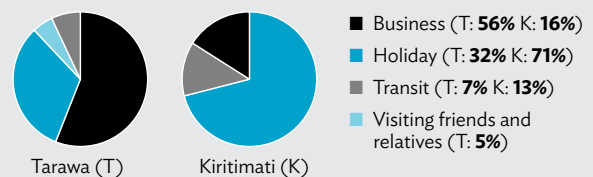
Source: Tourism Authority of Kiribati.

Air Arrivals by Source Country (2019)



Source: Tourism Authority of Kiribati.

Purpose of Visit (2019)



Source: Tourism Authority of Kiribati. 2020. *A Review of the Tourism Sector 2019*. Tarawa.

Tourism Receipts (2018)

\$9.2 million.

Source: Pacific Tourism Organisation. 2020. *2019 Annual Review of Visitor Arrivals Report*. Suva. (Estimate).

Arrival Destinations (2019)

70% of visitors arrived into **Tarawa**.
30% of visitors arrived into **Kiritimati**.

14% of visitors to Tarawa traveled to at least one outer island. Of those, **34%** visited **Abaiang**, and **31%** **North Tawara**.

6% of visitors to Kiritimati visited at least one outer island—primarily Fanning Island, as part of an all-inclusive fishing tour.

Source: Tourism Authority of Kiribati. 2020. *Kiribati for Travellers: International Visitors Survey 2019 Report*. Tarawa.

Source: Pacific Private Sector Development Initiative.

Box 2: Kiribati Key Visitor Statistics (Sea Arrivals)

Cruise Arrivals (2019)

3,923 passengers on **three cruise calls**, all of which docked at Fanning Island for between 10 and 12 hours.

Source: Tourism Authority of Kiribati. 2020. *A Review of the Tourism Sector 2019*. Tarawa.

Cruise Taxation Revenue (2019)

\$22,320

Kiribati charges a **\$10 head tax** (increased from \$6 in November 2019) on cruise arrivals.

Source: Tourism Authority of Kiribati. 2020. *A Review of the Tourism Sector 2019*. Tarawa.

Yacht Arrivals (2019)

42 yacht arrivals, carrying **169 passengers**.

Source: Tourism Authority of Kiribati. 2020. *A Review of the Tourism Sector 2019*. Tarawa.

Source: Pacific Private Sector Development Initiative.

The Government of Kiribati owns two of the country's largest hotels. These are the Otintai Hotel in Tarawa and the Captain Cook Hotel in Kiritimati. The government also owns several council-run guest houses in the outer islands. Smaller accommodation properties are generally family owned and operated. There is little foreign investment in the sector, though rights to operate the Captain Cook Hotel were recently awarded to a foreign investor who is redeveloping the property (TAK, consultations with author, 2020 and 2021).

ORGANIZED TOURS

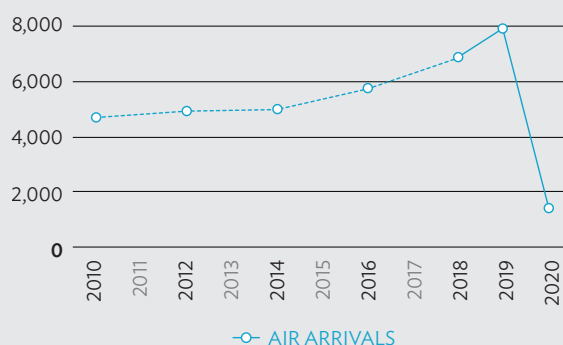
There are ten main tour operators in Kiribati. Six operators in the Line Islands (five in Kiritimati, one in Tabuaeran) primarily offer fishing tours, and have 18 registered fishing guides between them. A further four tour operators in Tarawa offer a range of tours including cultural and village visits, swimming and snorkeling trips to neighboring islets, and World War II history tours. The small number of qualified dive operators constrains a potentially high-value market.

VISITOR SATISFACTION

Visitors to Kiribati are highly satisfied with their experience. Ninety percent of visitors to Tarawa and 92% of visitors to Kiritimati intend to return (TAK 2020a). The most appealing factor for visitors to Tarawa is the friendliness of I-Kiribati, while visitors to Kiritimati cite the local hospitality and the quality of game fishing (TAK 2020a). The least appealing aspects for

Box 3: Kiribati Visitor Arrival Trends

Air Arrivals (2012-2020)



Source: Tourism Authority of Kiribati.

Kiribati's upward arrivals trend was interrupted by the global coronavirus disease (COVID-19). The additional 1,000 visitors to Kiribati in 2019 compared to 2018—nearly a 15% increase—confirmed a trend of steady growth in visitors since 2010. The United States visitor market saw the most substantial growth over the past decade, increasing more than 100%, albeit from a relatively low base (Tourism Authority of Kiribati, unpublished data). Sea arrivals had also been increasing and four cruise calls were booked for 2020 but were cancelled as borders closed in response to the pandemic.

Arrivals are not subject to seasonality. Visitor numbers are consistent year-round, dependent more on the seasons of the source markets than the seasons in Kiribati. Travel to Tarawa is highest mid-year, during the Australian winter, compared to Kiritimati where visitation is highest across January and February, coinciding with the United States winter (Tourism Authority of Kiribati, unpublished data).

Source: Pacific Private Sector Development Initiative

visitors include poor internet connectivity (in both destinations) and inadequate waste management—resulting in visible pollution—in Tarawa (TAK 2020a).

The Tourism Authority of Kiribati (TAK) recently introduced new “Mauri Mark” tourism standards. The program was initially designed for accommodation providers but has been extended to include other tourism enterprises such as restaurants and bars, tourism crafts, and dive operators. The Mauri Mark qualification is designed to improve the visitor experience and to ensure a consistent level of quality and safety across all tourism operators (TAK n.d.a). Tourism sector employees, including airport baggage handlers, immigration officers, airport security officers, hotel and restaurant employees, and shop attendants, have also received customer service awareness and training through the Mauri Way program (TAK n.d.b).

EMPLOYMENT AND TRAINING

A range of tourism training is available for I-Kiribati. The University of the South Pacific campus in Tarawa offers tertiary courses in tourism and hospitality, predominantly via print or blended learning, while vocational tourism studies are taught through the Australia Pacific Training Coalition. The Kiribati Marine Training Centre also provides cookery training for seafarers, many of whom return to work in the hospitality sector. I-Kiribati are also eligible for Australia's Pacific Labour Mobility Scheme, which offers work placements and training in hospitality and tourism.

The Government of Kiribati is actively promoting tourism as an industry. In 2019, the country celebrated World Tourism Day for the first time with a Tourism Careers Expo for senior high school students, held in both Tarawa and Kiritimati. Tourism studies have also been included in the school curriculum, to help students understand the careers available to them. There are also plans to include questions on tourism in the national census to gauge community understanding.

TOURISM GOVERNANCE, PLANNING, AND POLICY

The Government of Kiribati is committed to tourism growth. The Kiribati 20-Year Vision 2016–2036 states that the country's economic development will only be possible if the country focuses on two productive sectors—fisheries and tourism (Government of Kiribati 2016). The vision document recognizes the economic contribution of tourism, and its potential to support cultural traditions and sustainable management of the natural environment.

Sustainability is a priority for tourism growth. While tourism sector development has the potential to improve the standard of living for the people of Kiribati, the country's fragile coral atolls are unable to absorb increased visitation of any substantial volume. The government's vision for tourism is aligned with its environmental policies, such as the recent Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management (2019–2028), which highlights the importance of green tourism products and small-scale tourism initiatives (Government of Kiribati 2019).

The Kiribati 20-Year Vision 2016–2036 proposes raising tourism's contribution to gross domestic product to 50% by 2036. Kiribati plans to reach this ambitious target through increased investment in high-yielding tourism products, such as cultural tourism and ecotourism, as opposed to simply growing tourist arrival numbers (Government of Kiribati 2016).

TAK is responsible for tourism policy, planning, investment, and marketing. TAK was mandated under the Kiribati Tourism Act 2018 and established in June 2019. It sits under Kiribati's Ministry of Information, Communication, Transport, and Tourism Development and is led by a chief executive officer, with 13 staff in Tarawa and five in Kiritimati.

The TAK Strategic Plan 2020–2022 was released in 2020. The plan identifies five priority areas: increased tourism investment, capacity building, business support and mentoring to tourism small- and medium-sized enterprises, securing funding for special projects, such as niche market development, and marketing and promotion. TAK aims to change the current market perception of Kiribati as a country sinking due to climate change, to an “off the beaten track” destination, suitable for travelers seeking a unique experience (TAK 2020c).

Kiribati is focused on high-yield tourism, as opposed to high levels of growth. The Kiribati National Tourism Development Strategy 2016–2019 suggested the country “is not a destination for mass tourism” and “the key to future growth will be targeting higher yielding markets rather than larger volumes of visitors” (Government of Kiribati 2015). TAK's new strategic plan supports this vision. TAK recently launched the Kiribati Sustainable Tourism Development Policy Framework 2021–2036, drawing from global and regional sustainability frameworks and the Kiribati 20-Year Vision 2016–2036, to guide the long-term sustainability of tourism in Kiribati.

TOURISM MARKETING

Kiribati is marketed with the tagline: “Kiribati: for Travellers.” Destination marketing of the country has historically been minimal, largely due to a lack of government resources and the small scale of the market (TAK, consultations with author, 2020 and 2021). Under TAK, marketing is now a key priority, with further investment expected to be made following the lifting of travel restrictions enforced due to the COVID-19 pandemic (TAK, consultations with author, 2020 and 2021). A new destination website has already been developed, with information on the country, transport, activities, and accommodation.⁴

A Kiribati Tourism Marketing Development Fund was established under the Tourism Act 2018. The fund will be the main financing facility for TAK and may include government and donor funds, loans, grants, and levies. TAK is currently considering the imposition of a tourist levy, which would be included in the price of tourism-related goods and services, and collected by tourism operators, such as accommodation providers and tour operators (TAK, consultations with author, 2020 and 2021).

PRIVATE SECTOR ORGANIZATION

Kiribati's private sector is small but growing. Tourism businesses—including accommodation providers, restaurants, transport and rental car companies, and tour operators—are predominantly small and community-owned. Operators are supported by the Kiribati Chamber of Commerce and Industry, which has a subcommittee dedicated to tourism. The chamber's total membership is approximately 180 businesses, of which 90% are small-scale (Asian Development Bank [ADB] 2018).

⁴ www.kiribatitourism.gov.ki

Box 4: Kiribati Key Attractions

- **One of the largest marine protected areas in the world**—The UNESCO World Heritage-listed Phoenix Marine Protected Area supports around 200 species of coral, 500 fish species, 18 marine mammals, and 44 bird species. The area is also home to a giant clam community, important marine turtle nesting sites, tuna spawning grounds, and is a critical refuge for migratory birds.
- **Stunning coral atolls fringed by barrier reefs**—This natural formation creates pristine sandy-bottomed lagoons for snorkeling, swimming, diving, and fishing.
- **World-class fishing, including all-inclusive package fishing tours to outer islands**—Kiritimati is famous internationally for the sought-after “grey ghost” bonefish, one of the world’s premier light tackle game fish.
- **History and culture**—Attractions such as local culture and World War II history provide activities for all types of tourists. There are also opportunities for “voluntourism.”

Source: Pacific Private Sector Development Initiative.



Tabuaeran, Fanning Island traditional house. Republic of Kiribati.

TOURISM SECTOR CHALLENGES AND OPPORTUNITIES

TRANSPORT AND CONNECTIVITY

Flight loadings are low. In 2019, inbound international seat capacity was approximately 51,600, with occupancy estimated to be 18,654 passengers, or just 36% (TAK 2020b). This offers an opportunity to increase tourist arrivals but is also a threat to connectivity if the oversupply is not addressed. Fiji Airways is the preferred—and, in the case of Kiritimati, the only—service provider, due to its reliability and direct connection through Nadi. However, international airfares can be expensive. A Nadi to Tarawa return flight is typically around A\$1,000.

Air Kiribati is 100% government owned. The airline has historically been one of the government’s poorest performing state-owned enterprises (ADB 2016), mainly due to price controls on airfares. However, a price increase in 2017 allowed

Air Kiribati to generate a profit. The government is now planning to extend Air Kiribati’s international services⁵ following the recent purchase of two new Embraer E-190 jets. However, the proposal has raised concern among some stakeholders, given the already low loadings on existing routes (Webb 2019).

ENVIRONMENT AND INFRASTRUCTURE

Kiribati is one of the most vulnerable countries in the world to climate change and disaster risk. The country is exposed to rising sea levels, storm surges, cyclones, and drought. The erosion of Kiribati’s low-lying atoll islands is leading to loss of land, public and private buildings, and damage to infrastructure. There is serious concern rising sea levels may threaten the country’s very existence (Government of Kiribati 2019). More immediately, there are concerns food production and water supply may not meet the needs of the growing population—which would be exacerbated if tourist numbers increase (Government of Kiribati 2019).

Water supply is a challenge for Kiribati and a potential constraint for tourism. Current water resources are supplying less than half the internationally accepted minimum for daily human needs (ADB 2021). Water quality is poor, resulting in a high incidence of water-borne disease and contributing to the highest infant mortality rate in the Pacific.⁶ Historically, piped water supplies in South Tarawa were available for only 2 out of every 48 hours (World Bank n.d.). Several projects, including the Asian Development Bank South Tarawa Sanitation Improvement Sector Project, have led to significant improvements (ADB n.d.).

In South Tarawa, the activities and waste of the urban population are damaging the environment and limiting tourism. Inadequate sanitation has polluted the nearshore coastal environment in South Tarawa, impacting the marine environment and food sources such as fish. Household surveys have revealed high rates of open defecation, with around 60% of the population reportedly using the beach, ocean, or lagoons (ADB 2014). A large proportion of solid waste is either disposed of on-site or illegally dumped into the sea or lagoon (ADB 2014). This significantly reduces South Tarawa’s appeal as a tourist destination, as beaches and lagoons are unappealing and unsafe for swimming. It also detracts from the pristine image the Government of Kiribati seeks to promote, particularly as South Tarawa is the arrival point for most tourists.

Cruise calls to Kiribati have historically been constrained by poor wharf facilities. At Kiritimati, larger ships are required to tender passengers onshore, which can be weather-dependent, risky, and expensive. Tarawa’s new port, completed in 2014, can now accommodate larger ships. The Government of Kiribati has recently begun promoting the port on Kanton Island, to enable visitation to the Phoenix Islands.

TOURISM MARKETING

A lack of private sector marketing has constrained growth (TAK, consultations with author, 2020 and 2021). Many tourism

⁵ Prior to COVID-19, Air Kiribati operated one international service—a once weekly service to Funafuti, Tuvalu.

⁶ In August 2020, the Secretariat of the Pacific Community announced the Safe and Sustainable Drinking Water for Kiritimati Island initiative, with 6.2 million euros to improve access to clean and safe drinking water in Kiribati.

Box 5: Impact of COVID-19 on Kiribati's Tourism Sector

As a result of the coronavirus disease (COVID-19) pandemic, Kiribati closed its borders to international travel on 23 March 2020. Only delivery of essential goods was exempt, with quarantine measures in place at all ports of entry. Repatriation of citizens started in the final quarter of 2020 (Radio New Zealand 2020). In late 2019, Kiribati imposed travel restrictions due to a measles outbreak, requiring visitors to provide measles vaccination documents. As a result, Kiribati's international arrivals had already begun to decrease during January–February 2020, before the onset of COVID-19 (Tourism Authority of Kiribati [TAK] 2020a). As of the end of July 2021, Kiribati remained COVID-19 free (World Health Organisation [WHO] n.d.). The country received its first shipment of 24,000 doses of COVID-19 vaccine in May 2021 (WHO 2021). Kiribati's border closure has been extended until 31 December 2021 (TAK 2021a).

After borders were closed, international visitor arrivals dropped to zero (TAK 2020). In the first quarter of 2020, 407 booking cancellations were recorded for Tarawa, and 317 for Kiritimati, totaling 8,791 room nights. Based on an average accommodation price of A\$85 per night, the immediate cost to the industry of these cancellations was estimated at A\$747,235 (Government of Kiribati 2020). By the end of 2020, the Tourism Authority of Kiribati (TAK) estimated approximately A\$2.2m in lost income (TAK 2021b). However, domestic travel was resilient. While a 23% decrease was recorded from the first quarter (Q1) to Q2 in 2020 (TAK 2020b), the sector rebounded with an 87% increase from Q2 to Q3. In Q4 of 2020, domestic travel was interrupted by necessary aircraft maintenance—falling 56.6% from Q3. Discounted local rates helped to keep accommodation and restaurants operational (TAK 2020b).

The Government of Kiribati has estimated that 1,040 people—3.7% of the working population—lost their jobs as a result of the pandemic (Asian Development Bank [ADB] 2020). Seafarers, fisheries observers, and those employed in private businesses or state-owned enterprises were hardest hit. One hundred and forty jobs, or 13.5% of the total number of jobs lost, were in the tourism sector (ADB 2020). TAK estimated that of the 449 I-Kiribati directly employed in tourism in 2019, only 229 were still employed by June 2021—representing a decrease of nearly 50%. Job losses were most prevalent among male tourism employees— from 2019 to mid-2021 the employment of men in the tourism sector

dropped 68%, while the employment of women fell only 16% (TAK, unpublished data). Gross domestic product in Kiribati rose by 0.6% in 2020 and is expected to rise again by 0.3% in 2021 and 2.3% in 2022 (ADB 2021).

The Government of Kiribati launched a preparedness and response plan in June 2020, valued at A\$32.9 million (ADB 2020). Much of the funding was reserved for social and financial support, with significant sums allocated to health preparedness and food security. Grants were expected to be made to allow state-owned enterprises to maintain basic public services, as well as for businesses and the unemployed (TAK 2020b). In preparation for reopening and a “new normal” for tourism in Kiribati and globally, TAK developed health and safety protocols for tourism and hospitality operators, and made protocol training and an online toolkit available in July 2021 (TAK 2021c).

References:

Asian Development Bank. 2020. *Pacific Economic Monitor July 2020*. Manila.

ADB. 2021. *Asian Development Outlook 2021 Update: Transforming Agriculture in Asia*. Manila.

Government of Kiribati. 2020. *COVID-19 Tourism Impact Assessment*. Unpublished.

Radio New Zealand. 2020. Repatriation of stranded i-Kiribati recommences. 20 November 2020.

Tourism Authority of Kiribati (TAK). 2020a. *1st Quarter Review*. Tarawa.

TAK. 2020b. *2nd Quarter Review*. Tarawa.

———. 2021a. “Kiribati extends border closure.” 2 August 2021. <https://newsletter.visitkiribati.travel/2021/08/02/kiribati-extends-border-closure-2/>.

———. 2021b. *Kiribati Tourism Review 2020*. Tarawa.

———. 2021. *Covid Protocol Tool Kit*. Tarawa.

World Health Organization (WHO). n.d. “COVID-19: Kiribati.” <https://covid19.who.int/region/wpro/country/ki>.

WHO. 2021. “Kiribati receives 24,000 doses of COVID-19 vaccines through the COVAX Facility.” 25 May 2021. <https://www.who.int/westernpacific/about/how-we-work/pacific-support/news/detail/25-05-2021-kiribati-receives-24-000-doses-of-covid-19-vaccines-through-the-covax-facility>.

Source: Pacific Private Sector Development Initiative.

operators do not have marketing expertise and cannot access national, destination-wide marketing initiatives or promote their businesses through online distribution channels. Establishing appropriate pricing is also a challenge for accommodation providers, particularly as government-subsidized properties distort the market in the outer islands. Digital marketing training for local operators is now being offered by TAK, supported by Pacific Trade Invest and the Pacific Tourism Organisation

(SPTO). TAK's new Digital Marketing Strategy 2021–2024 also plans to enhance Kiribati's digital marketing presence to stimulate tourism growth.

ECONOMY, POLITICS, AND GOVERNMENT

The government owns a significant portion of Kiribati's tourism sector assets. The country's flagship airline, two of its largest hotels, and several small guest houses in the outer islands

are state-owned. This potentially distorts pricing and limits private sector opportunities. In addition, government-owned properties are unfairly advantaged: council-run guesthouses, for example, are mandated under law as the first preference for official government travel, and pricing subsidies give them a further advantage over community-owned guest houses (TAK, consultations with author, 2020 and 2021).

There are many obstacles to doing business in Kiribati. The country struggles with outdated business laws, inefficient processes for regulation and licensing, high-priced services, and poor access to markets due to its sparse population spread across numerous islands.

Access to finance is a constraint for tourism operators. Many operators are disadvantaged by lack of collateral, low profitability, and low financial literacy. An ADB (2018) study also found an absence of incubator financing options in Kiribati compared to other Pacific nations, constraining entrepreneurial tourism ventures. The cost of borrowing in Kiribati is also high—commercial interest rates in 2015, for example, were 10%–12% in Kiribati, compared to 4.5%–5.5% in Australia (ADB 2018).

Foreign investment in tourism is small, but likely to increase. TAK is now seeking investment for high-end tourist accommodation in the Phoenix Islands Protected Area (TAK, consultations with author, 2020 and 2021). The government's vision is for the area to become a premier location for a small number of high-yield travelers seeking to explore a unique marine environment (Government of Kiribati 2016). TAK is also looking to develop an online tourism investment portal to provide a “one-stop shop” for interested investors.

LAND ACCESS AND DEVELOPMENT

Land disputes impede tourism investment. Only 37% of land in Kiribati is under customary ownership and the remaining land—including all islands in the Line and Phoenix Groups—is state-owned (Government of Kiribati 2016). A large proportion of land in South Tarawa is leased by the Government of Kiribati for a period of 99 years, and land scarcity, squatting, and contestation of land ownership titles all present obstacles to development (Government of Kiribati 2016). The land ownership structure in Kiritimati and the Phoenix Islands, which is comparatively less complex, could offer greater potential for tourism.

Poor land planning has led to unsustainable development. There has historically been inadequate control over land zoning and site classification in the tourism sector, and unsustainable development practices, such as the removal of mangroves, have exacerbated coastal erosion (Government of Kiribati 2019). Environmental degradation, if left unchecked, threatens to further damage the livability and tourism potential of Kiribati's atolls—particularly if tourism development increases.

The Ministry of Line and Phoenix Islands Development launched an Integrated Land Use Plan for Kiritimati in 2019. The document is a significant step for Kiribati's tourism industry. It outlines specific zones—identified by experts—for tourism development (Government of Kiribati, Ministry of Line and Phoenix Islands Development 2020). This will enable

easier planning for potential foreign investors in Kiritimati and encourage a more sustainable approach to development. It is hoped that the plan will provide a blueprint for future land use planning for other parts of the country.

EMPLOYMENT AND TRAINING

Tourism jobs in Kiribati are in short supply. There are concerns that graduates of the University of the South Pacific and I-Kiribati trained under the Australian Pacific Labour Mobility Scheme do not always end up working in tourism, given the few opportunities available (TAK, consultations with author, 2020 and 2021). Conversely, a recent government report found that many tourism workers have not received adequate training, with 62% of accommodation employees requiring upskilling in hospitality, cookery, housekeeping, front desk services, and online marketing and promotions (TAK 2020b).

References:

Asian Development Bank (ADB). n.d. “Kiribati: South Tarawa Sanitation Improvement Sector Project (formerly Tarawa Sanitation Improvement Project).” <https://www.adb.org/projects/43072-013/main#project-overview>.

ADB. 2014. *Economic Costs of Inadequate Water and Sanitation: South Tarawa Kiribati*. Manila.

———. 2016. *Finding Balance 2016: Benchmarking the Performance of State-Owned Enterprises in Island Countries*. Manila.

———. 2018. *Women and Business in the Pacific*. Manila.

———. 2021. *Country Information Note: Kiribati*. Unpublished.

Government of Kiribati. 2015. *Kiribati National Tourism Development Strategy 2016–2019*. Tarawa.

———. 2016. *Kiribati 20-Year Vision 2016–2036*. Tarawa.

———. 2019. *Kiribati joint implementation Plan for Climate Change and Disaster Risk Management 2019–2028*. Tarawa.

Government of Kiribati, Ministry of Line and Phoenix Islands Development. 2020. *Integrated Land Use Plan for Kiritimati*. Unpublished.

Pacific Tourism Organisation (SPTO). 2020. *2019 Annual Review of Visitor Arrivals Report*. Suva.

SPTO. 2019. *2018 Annual Review of Visitor Arrivals Report*. Suva.

Tourism Authority of Kiribati (TAK). n.d.a. “What is Mauri Mark?” <https://corporate.visitkiribati.travel/mauri-mark/>.

———. n.d.b. “Mauri Way.” <https://corporate.visitkiribati.travel/mauri-way/>.

———. 2020a. *Kiribati for Travellers: International Visitors Survey 2019 Report*. Tarawa.

———. 2020b. *A Review of the Tourism Sector 2019*. Tarawa.

———. 2020c. *Tourism Authority Kiribati Strategic Tourism Plan 2020–2022*. Tarawa.

———. 2021. *Kiribati Tourism Review 2020*. Tarawa.

J. Webb. 2019. “Is tourism the answer for Kiribati?” *DevPolicy Blog*. 5 August 2019. <https://devpolicy.org/is-tourism-the-answer-for-kiribati-20190805/>.

World Bank. n.d. *Kiribati - South Tarawa Water Supply Project*. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/997801574719355577/kiribati-south-tarawa-water-supply-project>.

This Tourism Sector Snapshot was written by the Pacific Private Sector Development Initiative (PSDI) Tourism Expert, Dr. Sara Currie, with publication support from PSDI Communications and Knowledge Manager, Erin Harris.

The author wishes to thank the Tourism Authority of Kiribati, the Pacific Tourism Organisation, and private sector stakeholders and donor partners in Kiribati for their time and contributions to this sector assessment. The author also wishes to thank ADB staff and consultants, including the PSDI team, who provided valuable inputs and review.

The views expressed in this publication are those of the author and do not necessarily reflect the views and policies of ADB or its Board of Governors or the governments they represent, or the governments of Australia and New Zealand.

In this publication, “\$” refers to US dollars unless otherwise noted. A\$ = Australian dollar.

Cover photograph: Asian Development Bank. All other photos used under a royalty-free license from istockphoto.com.

About PSDI.

PSDI is a technical assistance program undertaken in partnership with the Government of Australia, the Government of New Zealand, and the Asian Development Bank. PSDI supports ADB’s 14 Pacific developing member countries to improve the enabling environment for business and to support inclusive, private-sector led economic growth. The support of the Australian and New Zealand governments and ADB has enabled PSDI to operate in the region for 14 years and assist with more than 300 reforms.






Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO)

©2021 Pacific Private Sector Development Initiative. The CC license does not apply to non-ADB/PSDI copyright materials in this publication.

Pacific Private Sector Development Initiative

Asian Development Bank
Pacific Liaison and Coordination Office
Level 20, 45 Clarence St, Sydney 2000 Australia

Ph: +61 2 8270 9444
Fax: +61 2 8270 9445

 /adbpsdi
 @ADB_Sydney_PSDI
 @ADB_Pacific_PSDI

www.pacificpsdi.org
info@pacificpsdi.org