

Shops along the beach, Nauru

DESTINATION INFORMATION AT A GLANCE

POPULATION:

11,700 (2020).*

CAPITAL:

Nauru does not have an official capital. Its Parliament House and administrative offices are in Yaren district (approximately 2,900 kilometers (km) northeast of Cairns, and 2,250 km northwest of Fiji).

OFFICIAL LANGUAGES:

Nauruan and English.

CLIMATE:

Hot and humid equatorial climate, with an average daily temperature range between 25°C and 30°C year-round. The wettest months are from November to February.

CURRENCY:

Australian dollar (A\$). Most transactions are conducted in cash.

ENTRY AND VISA REQUIREMENTS:

Free visa on arrival for visitors from a limited number of nations, mostly from the Pacific. Simplified email visa applications, not requiring a criminal record check or medical certificate, are available for citizens of 66 nations, including Australia, the European Union, Japan, New Zealand, and Republic of Korea.

GEOGRAPHY:

Nauru is a 21 square km phosphate rock island. It is the world's third smallest nation and the smallest island state.

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



Nauru

PACIFIC TOURISM SECTOR SNAPSHOT | NOVEMBER 2021

INTRODUCTION

The Republic of Nauru receives few tourists, despite its niche attractions. The island is an ideal destination for deep-sea fishing and boasts a white sand beach at Anibare Bay, abundant fresh seafood, and several World War II historical sites.

The contribution of tourism to gross domestic product is not known. Estimates suggest tourism employed 77 Nauruans in 2014, equivalent to 2.5% of Nauru's total employment (Pacific Tourism Organisation [SPTO] 2019). The phosphate mining industry temporarily made Nauru one of the richest countries in the world, but resulted in significant environmental damage, both onshore and to Nauru's reefs.

As a tiny and densely populated island, still dealing with the impacts of years of intensive phosphate mining, Nauru has not developed its tourism industry. With good connections to Australia and the Pacific and a range of niche attractions, Nauru aspires to grow its tourism sector. However, persistent constraints will need to be addressed, including environmental degradation, pollution, restrictive visa policies, and infrastructure capacity.



Coral pinnacles, Anibare Bay, Nauru

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

Prior to the COVID-19 pandemic, Nauru had several regular international air connections. It was connected to Brisbane by a thrice-weekly service and was part of a weekly “island hopper” service that included Majuro (Republic of the Marshall Islands), Tarawa (Kiribati), and Nadi (Fiji). All flights were operated by Nauru Airlines. These services gave Nauru strong regional connectivity and the potential to become a “gateway destination” between Australia and the Pacific.

A new Air Services Agreement between Nauru and Palau was signed in September 2021, opening up the possibility of direct flights between the two countries. This could further enhance Nauru’s inter-regional connectivity and strengthen its air links into Asia. Flights between Nauru and Honiara and Pohnpei were discontinued in 2019, due to low loadings on both services and competition on the Brisbane to Honiara leg. There is potential for Pohnpei to be added to Nauru Airlines’ island hopper service when COVID-19 restrictions are lifted, but collaborative destination marketing will be required to ensure the route is viable.

Nauru Airlines is 100% government-owned. It currently maintains five aircraft and supports a significant number of jobs, including cabin attendants and airport staff, for Nauruans. Nauru Airlines supplies essential passenger and freight services between Nauru and Australia and has a Community Service Obligation contract with the Government of Nauru to ensure affordable weekly freight services to the island. Many of its routes have low profitability, and the lack of an “open skies” agreement with Fiji, which prevents Nauru Airlines using Fiji as a stopover location, inhibits the addition of new and potentially more profitable routes.

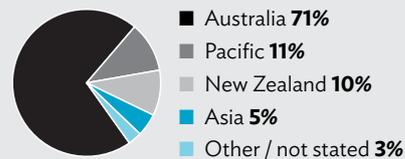
Box 1: Nauru Key Visitor Statistics (Air Arrivals)

Air Arrivals (January–March 2016)

3,038 visitors from January to March 2016, suggesting annual arrivals of just over **12,000**.

Source: Government of Nauru, Nauru Bureau of Statistics. 2016. *Visitor Arrivals Data, January to March 2016*. Nauru. Note: The Nauru Bureau of Statistics has not published official arrival figures since the first quarter of 2016.

Air Arrivals by Source Country (January–March 2016)



Source: Government of Nauru, Nauru Bureau of Statistics. 2016. *Visitor Arrivals Data, January to March 2016*. Nauru.

Purpose of Visit (January–March 2016)



Source: Government of Nauru, Nauru Bureau of Statistics. 2016. *Visitor Arrivals Data, January to March 2016*. Nauru.

Source: Pacific Private Sector Development Initiative.

Table 1: Nauru Tourism Plans and Policies

PLAN OR POLICY	STRATEGIES AND GOALS
<p><i>National Sustainable Development Strategy 2019–2030</i></p>	<p>The Government of Nauru’s overarching development strategy.</p> <p>The strategy advocates the development of small-scale, sustainable eco-tourism (Government of Nauru 2019) and lists the promotion of tourism as one of seven economic goals. The strategy acknowledges Nauru’s tourism industry is still at an early stage of development and the limited availability of tourism infrastructure and services—such as hotels and activities—as well as costly visas and a time-consuming application process limit the appeal of Nauru as a destination.</p>
<p><i>Nauru Tourism Strategic Plan 2020–2021</i></p>	<p>Nauru’s current tourism sector strategy.</p> <p>The plan was developed by the Nauru Tourism Corporation, with the vision to “present Nauru as a unique ‘can do’ experience by building on the special characteristics of its people, culture and history” (Nauru Tourism 2020). It prioritizes niche tourism and the establishment of a regulatory framework. These are to be advanced through stakeholder consultations and desktop research. Secondary priorities include improvements in customer satisfaction and tourism training for Nauruans. The plan does not include an industry overview, nor does it outline visitor targets, potential niche markets, or desired outcomes from tourism.</p>

References:

Government of Nauru. 2019. *National Sustainable Development Strategy: 2019–2030*. Nauru.
 Nauru Tourism. 2020. *Nauru Tourism Strategic Plan 2020–2021*. Nauru.

Source: Pacific Private Sector Development Initiative.

ACCOMMODATION

Accommodation in Nauru is in short supply. In 2019, the country had just three hotels and one guest house. Two of the hotels—the Menen and the Od’n Aiwo—were constructed in the 1970s as part of an initial government push for tourism. The Menen is government-owned. Until recently, accommodation shortages in Nauru were not uncommon, particularly during large events such as regional meetings. The building of accommodation for workers at the Government of Australia’s Regional Processing Center (RPC) has reduced supply pressure.

Accommodation is expensive by international standards but is of moderate to basic quality. Hotels tend to be priced upwards of A\$200 per night, reflecting their clientele—business travelers and people attending the RPC. The Menen Hotel has an “average” rating on TripAdvisor.¹ The locally owned and operated Ewa Lodge is the highest rated property in Nauru and is usually fully booked.

ORGANIZED TOURS

Cultural and historical tours are available in Nauru. There are no registered tour companies or guides, but locals are often willing to take visitors around the island to learn about unique cultural traditions, such as feathered bird catching. It is also possible to experience the country’s traditional string

figure storytelling and meet the daughter of Nauru’s last great storyteller. Visitors can also tour World War II relics.

TOURISM GOVERNANCE, PLANNING, AND POLICY

The Nauru Tourism Corporation is responsible for tourism policy, planning, and marketing. The corporation’s board was mandated under the Nauru Tourism Corporation Act 2019 and comprises seven appointed members, one of whom acts as chairperson. The board reports to the Minister for Nauru Tourism Corporation, who is also the current President of Nauru.

The Government of Nauru has identified the promotion of small-scale, sustainable tourism as an economic goal. It has two main plans and strategies in place for the development of the sector (Table 1).

EMPLOYMENT AND TRAINING

Although some tertiary education is available in Nauru, in-classroom tourism courses are only offered offshore. The University of the South Pacific campus in Nauru offers courses in education, nutrition, disability studies, and community work. Tourism courses are available in print or blended mode in Nauru, or offered face-to-face elsewhere in the region, primarily through the university’s Fiji campus. Nauruans also have study

1 https://www.tripadvisor.com.au/Hotel_Review-g294127-d446967-Reviews-Menen_Hotel-Nauru.html

Box 2: Impact of COVID-19 on Nauru's Tourism Sector

The Government of Nauru declared a state of emergency on 16 March 2020. Flights were cut to one per fortnight from Brisbane airport, and incoming passengers, including citizens, were required to quarantine in a hotel on arrival. On 4 June 2020, a coronavirus disease (COVID-19) testing regime for all incoming passengers was implemented. The reduced flight schedule was still in operation in July 2021 (Nauru Airlines n.d.). In May 2021, after a four-week vaccination campaign, Nauru became one of the first nations in the world to administer one vaccine dose to its entire adult population (ABC News 2021). At the end of July 2021 it remained COVID-19-free (World Health Organisation n.d.).

By November 2020, the government had spent a significant amount to keep state-owned enterprises afloat. Although Nauru remained COVID-free, an estimated 8% of gross domestic product was spent supporting Nauru Airlines and other state-owned enterprises to maintain critical services and food security (International Monetary Fund 2021). Nauru Airlines converted two passenger aircraft into freighters to import essential supplies. As well as making use of its capital-intensive assets, the move provided some financial relief under a government redeployment program by maintaining the skills of cabin crew (Nauru Airlines, consultation with author, 2021). Revenue from fishing licenses, taxation, and Australia's Regional Processing Centre more than offset the travel-related losses arising from the

pandemic (Asian Development Bank [ADB] 2020). Gross domestic product grew by 0.8% in 2020 and is projected to increase by a further 1.5% in 2021 and 1% in 2022 (ADB 2021).

References:

ABC News. 2021. "Nauru gives first COVID vaccine shot to entire adult population in four-week campaign." 13 May 2021. <https://www.abc.net.au/news/2021-05-13/nauru-vaccination-coronavirus-covid-astazeneca-covax/100137268>.

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International Monetary Fund. 2021. *Policy Responses to COVID-19*. Washington. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#N>.

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Source: Pacific Private Sector Development Initiative.

Shops on the beach, Nauru



opportunities in Australia, including scholarship programs, and can participate in Australia's Pacific Labour Mobility Scheme, which offers work placements and training in hospitality and tourism.

TOURISM MARKETING

There is little marketing of Nauru as a tourist destination. It is largely confined to the Nauru Airlines website, which has some destination information.² There is no official tourism website, and it is difficult to find information about accommodation, activities, and tours. The government is yet to identify target markets for destination marketing. Leisure travellers are usually on round-the-world itineraries or are “bucket list tourists,” seeking to visit as many countries as possible.

PRIVATE SECTOR ORGANIZATION

Nauru's private sector is small. Services catering to the RPC—such as retail, hospitality, and security—have encouraged some growth in recent years, and Nauru has several private sector organizations, including a Chamber of Commerce. However, despite the sector's small size, the views of operators are not always aligned, and there is reportedly limited structure within the various private sector organizations. There are no sector organizations specifically for the tourism and hospitality industry.

TOURISM SECTOR CHALLENGES AND OPPORTUNITIES

ENVIRONMENT AND INFRASTRUCTURE

Water supply is a limiting factor for tourism. Nauru has no permanent surface water or storage capacity, and groundwater is of poor quality (Pacific Community 2016). Desalination is the primary source of drinking water, and there is no reticulated system for water distribution (Asian Development Bank [ADB] 2017). A \$5 million ADB grant signed in August 2021 will fund preparations for an ADB-supported project to increase access to and improve the quality and safety of essential services, including water supply and sanitation (ADB 2021). The island's narrow outer ring of fertile land is also extremely vulnerable to climate-induced rising sea levels, storm surges, and drought.

Phosphate mining has caused considerable environmental damage. The years of intensive mining have left 90% of the center of Nauru a wasteland (Secretariat of the Pacific Regional Environment Programme 2016), and the rehabilitation of mined land is a significant challenge. Nauru's reefs have also been damaged by phosphate mining and increasing urbanization.

Poor waste management and pollution are additional constraints on tourism development. Although daily rubbish collection is provided around the island, there is still significant burning and dumping, both on land and in the sea. A 2019 study identified Nauru's polluted environment, including litter

² www.nauruair.com

Box 3: Nauru Key Attractions

- **World-class deep-sea fishing**—There is an abundance of tuna, and seven types of marlin, in Nauru's waters. At Anibare Harbor visitors can watch fishermen bring in their daily catch.
- **Beaches and swimming**—This includes the palm-fringed white sand beach at Anibare Bay, where visitors can swim among coral pinnacles.
- **World War II history**—Nauru's Command Ridge World War II historical site includes the ruins of a prison complex and a former communications center which visitors can explore.

Source: Pacific Private Sector Development Initiative.



and human waste on the beaches, as a significant constraint on tourism (Towner and Taumoepeau 2019).

VISITOR DEMAND AND DESTINATION EXPANSION

Fishing tours present a potentially lucrative niche tourism opportunity. Private sector representatives and community members, alongside Nauru Airlines, have attended fishing expos and advertised to fishing clubs in Australia. While these efforts have garnered a positive response, the establishment of a fishing tour industry has been constrained by narrow accommodation supply, challenges with airline scheduling for long weekend visits, and little support from the government.

Lack of data presents a challenge for future tourism development. Visitor arrivals data has not been reported since 2016. Business and RPC visitors represent a potential tourist market, yet there is limited knowledge of their spending or activities in-country. The Government of Nauru's National Sustainable Development Strategy 2019–2030 recognizes the need to increase receipts from business travelers, given that visa requirements make the cost of travel relatively high, and Nauru receives very few visitors traveling for leisure.

Catching frigatebirds is an important tradition in Nauru passed on by the elders to the next generation.



ECONOMY, POLITICS, AND GOVERNMENT

Nauru's economy and employment are dominated by the public sector. Nauru has a high proportion of state-owned enterprises, including its national airline and the Menen Hotel. The Menen Hotel is given priority when accommodating visiting delegations, which makes it difficult for private operators to compete.

Nauru's private sector faces significant constraints. The country's small size and remoteness lead to high costs and few opportunities for economies of scale. Government institutions are poorly resourced and relatively weak in capacity, with a dependence on foreign advisors (ADB 2019). The tourism industry is hampered by the lack of a trained workforce, few experienced inbound tour operators, and inadequate facilities for visitors.

Visa policy and processing times provide an additional deterrent for tourists. Nauru offers a visa on arrival for most Pacific visitors. Travelers from Australia, the European Union, and New Zealand must request tourist visas in advance for an A\$50 fee. Visa approval is manual and can take up to 3 months (Nauru Consulate Brisbane, consultation with author, 2020).

Foreign investment in tourism is small. The Budapest Hotel is owned by an Australian corporation, while most other tourism operations are locally or government-owned. Constraints to investment are significant, including complex land ownership systems and an A\$6,000 business visa fee (Government of Australia 2020).

Nauru's tourist infrastructure is propped up by the RPC. Workers and business travelers associated with the RPC have provided unprecedented demand for Nauru's hotels and restaurants (ADB 2019), but the facility's future is uncertain. A decrease in RPC activities poses a threat to the country's air connectivity and tourist infrastructure and would be a significant risk for future private sector investment.

LAND ACCESS AND DEVELOPMENT

Tourism development is constrained by the low availability of land. Nauru is a small island of only 21 square kilometers, most of which has been degraded by phosphate mining to the point of being unusable. This limits opportunities for large-scale tourism infrastructure. Individuals and family groups own all land, forcing the government and other entities to enter into lease agreements for any land use. Land issues and disputes are common (Government of Nauru 2009).

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A Nauru Airlines plane lands at Nauru International Airport, Yaren



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