



SMALL STATES IN TRANSITION – FROM VULNERABILITY TO COMPETITIVENESS

TUVALU

**REDEFINING TOURISM AS AN EXPORT AND DEVELOPMENT
OPPORTUNITY**

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1. INTRODUCTION

The fast growth in the tourism industry around the globe is no doubt a potential development opportunity for Small States. Tuvalu, being a Small State, is aware of this money-spinning industry. Tuvalu recognizes tourism as a viable means of accelerating the economic growth and development of Tuvalu through its contribution to foreign exchange earnings and stabilisation of the balance of payments, as well as its capacity to create income and employment opportunity.

Improving the tourism sector in Tuvalu requires certain strategic issues to be reviewed and addressed. Tuvalu's ability to effectively address these important issues is thwarted by a number of obstacles. Basically, tourism development in Tuvalu is constrained by the physical factors of its extreme smallness and remoteness. Tuvalu is one of the tiniest independent states in the world with a total landmass of approximately 26 square kilometres and a total population of just over 11,000.

2. ISSUES RELATING TO DEVELOPING A VIABLE TOURISM SECTOR

From the number of issues that are essential to the development of the tourism sector, Tuvalu requires to first address the following issues:

2.1 *Value realization*

Value addition is perhaps an issue that other Small States would need to focus on. Tuvalu's case is not to do with value addition but value realization. Tuvalu's tourism sector cannot be developed effectively if the 'economic value' of tourism is not fully realized by the people at all levels. At present, very few people see the potential value of this sector to the overall development of the country's economy. At the grassroot level, tourism is merely seen as (white people) foreigners visiting the country. Generally, people at rural areas do not realize the economic value that these foreigners can bring into the country. Thus, they take no particular attention to this sector but remain focussed on their traditional lifestyle of getting only the required daily subsistence.

At the private business and public enterprise levels, tourism is not an important issue. At this level tourism only comes to the fore when there is a tourist boat entering the country. However, this only happens once in a while (i.e. once in two or three years). At a much higher level such as the government, tourism though is noted as an important issue it is hardly taken seriously especially when it comes to the implementation of planned activities.

Awareness about the potential value of this sector is therefore the first and foremost issue to be addressed. Strategies should be established to identify the most effective mean of taking to the minds of the people the importance of tourism development. Once the value of tourism is fully realized by the general population then Tuvalu and countries of similar standings could effectively proceed with value addition and value retention.

2.2 Capacity Building

Moving from vulnerability to competitiveness in tourism developments entail capacity building at all aspects. Small States like Tuvalu should develop the necessary infrastructures and undertake appropriate trainings so that it can effectively develop its tourism sector. Below are two main aspects that should be strongly emphasised:

(a) Facilities and infrastructures standards

Tourism development requires certain standards and guidelines to ensure that benefits are maximised. Such standards relate to the amenity of the surrounds of the tourism resource, along with provision of health security. There are specific minimum parameters relating to energy supply, water supply and waste disposal that are essential in order to ensure such health and environmental safeguards. The relatively high water consumption by the tourism industry requires adequate water storage facility to be made available. Electricity supply should be adequate to cater for certain electrical appliances such as air conditions that are imperative especially in hot climate like Tuvalu. Moreover, standard of accommodation, transportation, and other related services should be up to international or regional standard in order to be competitive to services offered by other tourist destinations.

(b) Marketing and Promotion

Without promotion and marketing, Tuvalu's tourism sector cannot survive. The mere fact that the country is so small and isolated makes it important to undertake extensive promotion and marketing activities. One cannot expect high in flow of tourist to the country without promotion. What to promote, where to promote, and so forth, requires proper consideration because any wrong promotional approach may only lead to negative result. Promotion, therefore, should be focussed on areas that distinguish Tuvalu from other tourist places. Aspects that are unique to Tuvalu such as its culture, natural attractions should be strongly stressed.

3. OBSTACLES

Like any other type of development, tourism development in Tuvalu is very much constrained by a number of factors. The following are the main factors that cause the slow and/or lack in the development of the tourism industry in Tuvalu.

3.1 Geographical Factor

As briefly noted above, Tuvalu is an extremely small country in terms of both land area and population. Both the country and its people are scattered in eight different islands, dispersed over a vast ocean area of about 1.3 million sq. km. and these islands exist in virtual isolation from one another. This alone places a great limitation on the scale of tourism development in the country as a whole.

3.2 Economic Factor

Tuvalu's economy is as fragile as its physical setting. The resource base of Tuvalu is extremely limited and its production activities are restricted largely to the subsistence sector. Tuvalu is heavily dependent on international aid for maintenance of the current level of economic activities and also the living standard of the people. No significance export apart from the supply of labour (seafarers) to overseas shipping companies. Remittance from overseas seamen is now the main source of foreign exchange.

3.3 Social Factors

Similar to other Small States (particularly pacific island countries), Tuvalu has a deep-seated traditional socio-cultural pattern that is dear to its people but not compatible with tourism development. For instance, most tourists prefer to wear topless clothing in hot climate like Tuvalu. But such life-style is totally against Tuvalu culture. This is because social structures are constituted of various social institutions and are underpinned by sets of values and norms, which, to a large extent, determine social behaviour. These socio-cultural values are not necessarily economic, and prevailing loyalties to them, and to the social institutions that they underpin, can be problematic to the development of tourism in the country.

3.4 Infrastructure

Lack of essential infrastructure is another factor that constrained the successful development of the tourism industry in the country. Although the country has a tar-sealed airstrip, the size and standard of the runway limits the number and type of aircrafts that can enter the country. Accommodation is another problem. Tuvalu currently has only one hotel of moderate standards and very few motels.

3.5 Transportation

International access to Tuvalu is not only difficult but also costly. At the meantime, there is only one airline that offers two scheduled flights to the country. Thus, Tuvalu is dependent entirely on gateway like Nadi/Suva, in Fiji, for international access. Because of the low volume of traffic and difficult access, travelling to Tuvalu is relatively costly. Beside, the lack of adequate means of inter-island transportation is another constraint not only for tourism development but also for general economic development in the outer-islands. At present, there are only two inter-island vessels that service the islands on a weekly and/or fortnightly basis. This further precludes even small-scale tourism development in outer islands.

3.6 Manpower (Labour Supplies)

Given the size of its population, Tuvalu has a critical shortage of manpower at all levels for the establishment and operation of a tourist industry. To start with, there are only two staff working in the department of tourism in the government of Tuvalu. At the private sector level, about 20 or 30 employees that can be said to be working in the tourism industry. Aside of the minimal number of employees in this industry, lack of skills and training of these employees is another constraining factor.

4. STRATEGIC APPROACHES

Efforts to address the above main issues seem to progress with certain difficulties. Nonetheless, the approaches that have been adopted to address these issues are:

4.1 *Improved infrastructure*

In the recent past the Government of Tuvalu upgraded the airport and runway. More recently, the government installed a new desalination plant to improve water supply. Similarly, the government has made a major electrification project on all the remote islands. And last year, the government also assisted the Tuvalu Electricity Corporation (the only power supplier in the country) in purchasing a new generator to improve the current overloaded electricity supply on the main land.

4.2 *Improved transportation*

Tourist accesses to the country has greatly improved after the government of Tuvalu purchased more than 50% shares in the Air Fiji Ltd, the only airline that now operates to the country. The increased in the number flights (though not schedule flights) is a clear indication of the improved in the flight services to the country. Furthermore, efforts is now underway with neighbouring countries to form a regional airline that can serve the needs of the member countries. This rather interesting initiative is highly supported and is planned to be in place in the not-too-distant future. In the national context, the recent upgrading of roads on the main land has greatly improve public transport such a buses and taxis.

5. CONCLUSION

At present, tourism in the sense of travellers entering the country on holiday and vacation is almost non-existence in Tuvalu. Tuvalu's effort to improve this sector is very much narrowed by certain factors discussed above. The issue of value realization is crucial because without such knowledge about the economic benefits that this sector brings to the country, the tourism sector cannot be developed effectively. The issue of capacity building that basically relates to infrastructures and services should be the fundamental concerns in the development of this sector. Competitiveness cannot be achieved without improved infrastructures and services.