

TOURISM INDUSTRY SUPPORT (TIS) PROGRAM

- The Vanuatu Government took a quick decision and acted to close International borders March 2020 to date with no definite date to reopen.
- This direction by the government has secured and maintained the country as COVID free.
- The MFEM expect the economy will contract by 4.1% of GDP in 2020. All direct and indirect tourism businesses are being affected, experiencing very little or no cash flow.
- The Government's Strategy is outlined in the DoT Tourism Crisis Response and Recovery Plan
- We analyzed the Vanuatu Tourism Operators Minimum Standards Survey Forms returned to DoT – 119 businesses in accommodation (25%) and 36 in Tours (17%), from Shefa, Tafea, Penama and Sanma
- We estimated costs based on the number of businesses we analyzed, costs based on the expectation that only 70% of businesses will survive and costs based on should 100% tourism businesses survive. *Note; we have not estimated the cost should there be an increase in tourism operators.*

Main Needs identified in the Analysis

Category

1. Survival Finance/short term

- Small grant for security service
- Small grant for cleaning service & gardening

2. Operational

- Environmental Protection
- Code of Practice
- Safety Procedures

3. Legal Compliance

- Business Licence
- Insurance
- Tourism Permit
- Tour Guide Certification
- Employment Compliant

4. Facility Improvements

- Building (Office & reception, minor upgrades)
- Furniture, Fittings & Equipment
- Toilets
- Signage
- Utilities (Safe Water conservation, Energy efficiency)

5. Marketing Activities

- Website Development
- Promotional Activities

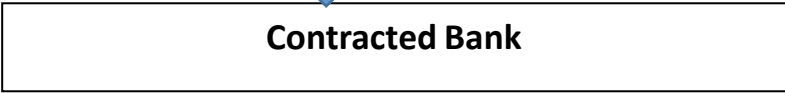
6. Recommended Trainings

- Safety Procedures
- Tour Guide Certification
- Financial Management
- Website Management
- Climate Change and Risk Insurance

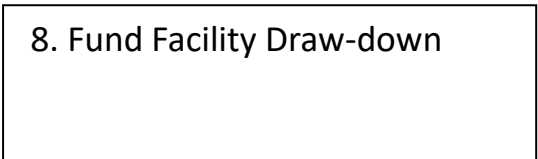
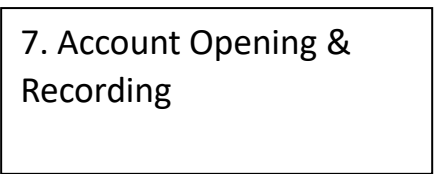
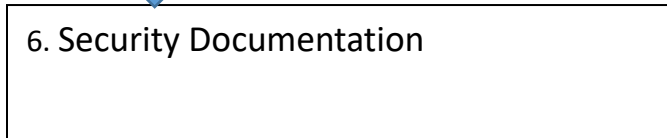
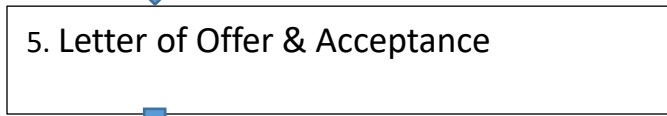
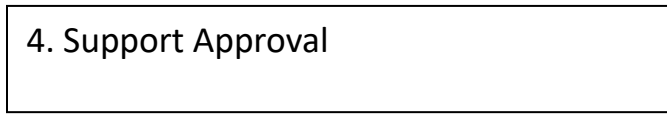
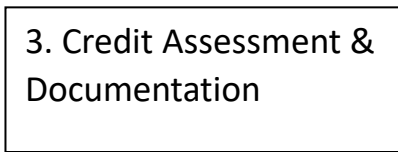
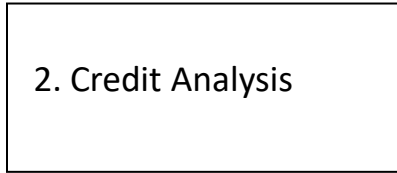
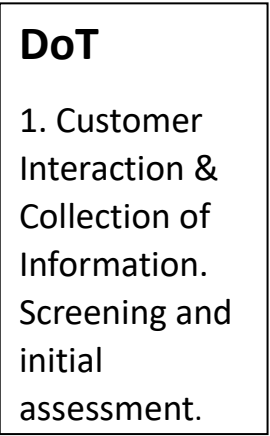
Total Estimate Costs for Accommodation & Tours

Category	Estimate cost of all Businesses Analysed 23% (VUV)	Estimate Cost – Expect 70% to Survive (VUV)	Estimate cost should 100% survive (VUV)
1. Survival Finance/Short Term	15,970,000.00	48,280,000.00	68,830,000.00
2. Operational Costs	38,891,245.00	95,800,000.00	136,600,000.00
3. Legal Compliance	16,395,403.00	63,228,000.00	90,156,000.00
4. Facility Improvements	85,223,319.00	383,350,000.00	549,150,000.00
5. Marketing Activities	18,469,887.00	95,800,000.00	136,600,000.00
6. Recommended Trainings	Not yet costed	Not yet costed	Not yet costed
Total Amount	174,949,854.00	686,458,000.00	981,336,000.00

“Sustainable Tourism Development Program” - STRUCTURE



The Tourism Business Lending Sector Process



Sustainable Tourism Development Support Committee:

- Government Departments
- Private Sector Representatives
- Development Partners Representative
- Cultural Centre Representative
- Malvatumauri Representative

The Role of the Committee:

- Ensure all Programs developed & supported are guided and directed by the VSTP and Strategy
- Act as the Trustee for the Sustainable Tourism Development Fund

Sustainable Tourism Development Fund- Loans, Grants and Subsidies to support:

- Tourism SME Business Support Program
- Provincial Tourism Support Program
- Destination Promotion Support Program
- Aviation Route Development Program
- Crisis Management Program
- Niche Product Development Support Program
- Sustainable Tourism Leadership Award
- Renewable Energy for Tourism Program
- Agritourism Program
- HRD Training Programs
- Risk Insurance and Climate Adaptation Program