



# Socio-economic impacts of COVID-19 on tourism and hospitality businesses in Madang, PNG

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# Presentation outline

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# Introduction

The aim of this study is to examine the socio-economic impacts of COVID-19 on the tourism and hospitality businesses in Madang. It covered four major themes in line with the research objectives:

- Travel restrictions
- Domestic tourism
- Lack of government support
- Laying off staff



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# Methodology

This study employs qualitative research within the interpretive research paradigm to identify socio-economic impacts of COVID-19 on tourism and hospitality businesses in Madang Province .

Qualitative data were collected via a series of semi-structured interviews conducted in various locations in Madang.

The data collected were analyzed thematically.



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# Travel restrictions

All the tourism and hospitality business owners expressed that their businesses were affected by COVID-19. This is due to the travel restrictions imposed by the PNG National Government. For instance, this was from one of the participants:

*“PNG National Government close the borders and flights were restricted and some or most of the flights were cancelled. People were not traveling and we were not able to sell airline tickets and make money”  
(Rose, Global Travel Center).*





# Domestic Tourism

Majority (19) of the tourism and hospitality businesses were resilient and implemented various strategies to sustain the operations of their businesses during the COVID-19 period. Just only one, guest house in Karkar Island closed down its operations.

Most businesses promoted and marked domestic tourism. As highlighted by one of the participants:

*“We say it’s the tourists that bring money but no it’s the locals that bring money. Now, locals are full here with their families, highlands came down hire the boat. Yes, domestic tourists are very important” (Michael, Niugini Dive Shop).*



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# Lack of government support

All (20) participants expressed that they didn't get any support from the Madang Provincial Government or PNG National Government.

This is the feedback from one of the hire car companies when asked about the PNG National Government's stimulus package: *"True, true, there was hardly any support from provincial or national government but we manage to survive through God's grace"* (Joy, Joma Hire Cars).



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# Laying off staff

Majority (18) participants stated that they retained their staff during the COVID-19 period.

Only two major hotels laid off staff. This is because of the size of the establishments. Most of the establishments that took part in the interview were lodges, guest houses and car rental businesses. This feedback is from one of the participant's from Madang Star International Hotel:

*"We were down with COVID-19 and took cost cutting measures by reducing the staff" (Lucas, Madang Star International Hotel).*



# Conclusion

To conclude, based on this study, all the participants expressed that their businesses were affected by COVID-19 due to the travel restrictions. They received less or no customers and made loss in their businesses.

One way to save cost is to lay off staff and two major hotels in Madang did lay off staff which affected people who rely on them. Other smaller ones that have less operational cost managed to keep their staff.

From 2019 to 2022, there was no government support on the affected tourism and hospitality businesses.

All the businesses were able to remain in business and continue to provide service with their own creativity in raising money through other sources.

Many businesses aggressively promoted and marketed domestic tourism which sustains their businesses that shows that there is potential for domestic tourism in Madang and PNG. Also, this could be a lesson learnt for PNG to develop and promote domestic tourism even after the COVID-19 period.



# Recommendations

First there is potential for domestic tourism in Madang and PNG. PNG National Government, Tourism Promotion Authority, Tourism and Hospitality Business owners and the stakeholders must work in partnership to offer tour packages to local PNG families on subsidize cost. This will stimulate and motivate locals to take tours in New Guinea Islands or the Highlands.

Second, tourism and hospitality industry must have an independent body that can voice their concerns to the government. From the study findings, there was lack of government support in the tourism and hospitality businesses affected by the pandemic but there is no body to represent the affected businesses and voice their concerns to the government. One or two tour operators, came out to the media and expressed their concerns but no attention was given by the government. Hence, there must be an independent body to represent them.

Third, PNG National Government must try and come up with a policy to establish social protection systems that has policies on labor market, insurance on unemployment, health and disability, and funding support on vulnerable businesses. COVID-19 is a lesson learnt for PNG to establish social protection systems to revive affected tourism businesses and support staff who were affected.

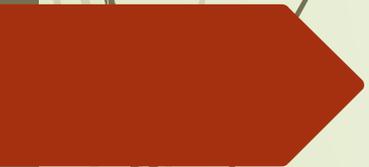
Finally, PNG National Government need to engage research firms and tertiary institutions such as PNGNRI, UPNG, DWU and others to conduct research on issues affecting PNG and submit findings to the government to draft policies. Hence, it must be research based to capture the needs of the people.





**Thank  
You!!!**

**Any questions??**



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