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The Pacific bubble takes shape

By Stephen Howes and Sadhana Sen
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There is no doubting the importance of tourism and labour mobility to the Pacific. With [few and falling COVID-19 cases](#), no wonder the idea of including the Pacific in the proposed Australia-New Zealand travel 'bubble' has gained prominence. In this blog we take stock of how the bubble is forming.

Australia and New Zealand [have made it clear](#) that they are open to the idea, but only after they have formed their own trans-Tasman COVID-safe travel zone. That itself might be some time off, so it is unclear when the Pacific bubble will be open for business: "it will take time" [according](#) to the New Zealand Prime Minister, words [echoed](#) by the Australian High Commissioner to Fiji. It is also likely that whatever Australia and New Zealand agree on with regards to travel protocols will also become the basis for any trans-Pacific agreement.

What about on the Pacific side? Some countries are keen, others not so.

Fiji is the tourism giant of the Pacific, and it is no surprise that it is leading the charge. At the start of last week, Fiji's Minister for Civil Aviation Aiyaz Sayed-Khaiyum (effectively the country's Deputy PM) [announced](#) that Fiji wanted in, and that he had contacted respective ministers from Australia and New Zealand on the matter. [At the end of last week](#) he gave an update, though no specifics.

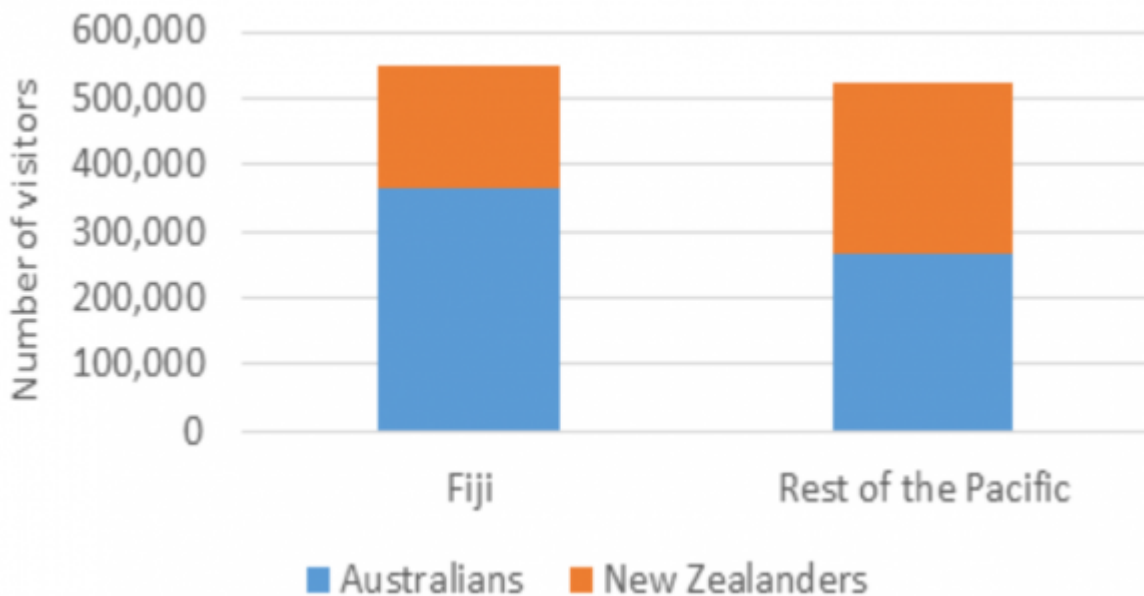
At the other end of the spectrum are those countries where tourism is less well developed, such as Solomon Islands and Marshall Islands. They [are much less interested](#). Tonga has [responded](#) cautiously. [Papua New Guinea](#) has also expressed some interest.

There are a number of countries yet to come out strongly one way or another. Vanuatu has also [said](#) it is in talks, but the reinstatement of travel would "depend on how Australia and New Zealand handled the coronavirus." [Cook Islands](#) appears to be showing interest. Palau has [expressed interest](#) in a different bubble - one with Taiwan.

Fiji dominates the Pacific tourism market, especially from an Australian-New Zealand

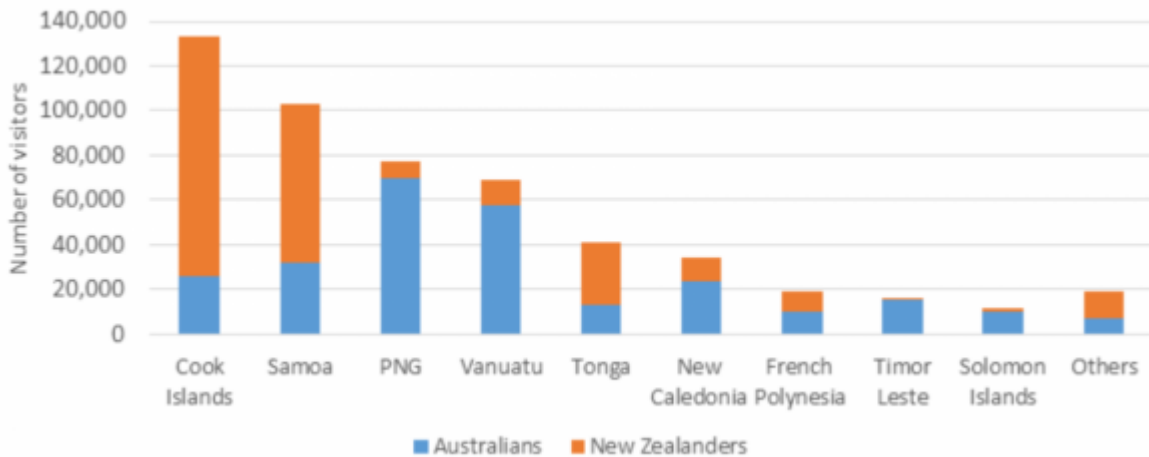
perspective. Just over one million Australians and New Zealanders visit the Pacific every year. Just over half go to Fiji. (See the end of the blog for sources.)

Australian and New Zealand visitors to Fiji and the rest of the Pacific, 2017



Among the other Pacific countries, Cook Islands is the most important travel destination for both countries combined. Cook Islands receives almost 60 per cent of the number of New Zealand visitors who travel to Fiji, but only one-quarter the number of Australians and New Zealanders combined. Cook Islands receives 30 per cent more travellers from these two source countries than Samoa, which is another 30 per cent ahead of PNG, which is 12 per cent of Vanuatu. Other countries follow far behind.

Australian and New Zealand visitors to Pacific island countries (excluding Fiji) 2017



Clearly, Fiji, by a long way, and then the Cook Islands have by far the most to gain from any travel bubble with Australia and New Zealand.

Australia and New Zealand enjoy a lot more reciprocal travel than either country does with Fiji. In 2019, some 1.5 million Australian residents visited New Zealand, and some 1.3 million New Zealanders visited Australia. When you look at those two numbers, it is clear why the initial focus is just on trans-Tasman travel. Nevertheless, both countries would gain from the inclusion of Fiji. Fiji was the ninth most popular destination for Australian residents in 2019, hosting some 345,000 or 3 per cent of returning Australian residents (away for a year or less). The next Pacific country on this list is PNG in 21st place (94,000), and Vanuatu in 26th (66,000).

Relatively speaking, the Pacific is a much more important destination for New Zealand travellers wanting to travel to somewhere other than Australia. Fiji is New Zealand's third most popular destination (with 184,000 trips in 2019; after only Australia and the US), Cook Islands the sixth (107,000), and Samoa the eighth (67,000).

Of course, how many will want to travel — whether across the Tasman or across the Pacific — remains to be seen, but one [New Zealand survey](#) showed positive sentiment towards Pacific travel, with many more indicating a desire to travel to the Pacific post-pandemic than normally visit.

Fiji is certainly pressing its case. It has [tested](#) 1,300 residents, and found 18 cases, the most recent of which was [announced](#) on 21 April. It is also working on a contact tracing app with [help from Singapore](#).

The Cook Islands government has kept a lower public profile, though its tourism sector is clearly [pushing](#) for inclusion. Cook Islands has declared itself to be COVID-19 free (after

1,200 tests and no confirmed cases). New Zealand citizens are already allowed in, but [there are no incoming passenger flights](#). Many more Cook Islanders live overseas than at home, which will presumably also increase the incentive to open up.

Given the importance of remittances, [labour mobility considerations](#) should also feed into the design and membership of any travel bubble, but they don't seem to be. Perhaps that will come later when the situation regarding horticultural labour demand is clearer.

In the meantime, we might be looking initially – after “some time” – at an Australian-New Zealand-Fiji tourism bubble, with Cook Islands as a possible fourth member.

Note: Numbers comparing visitors to various Pacific island countries are for 2017 from [this](#) STPO report. Those comparing the Pacific with other destination countries are from [Australian](#) and [New Zealand](#) statistical sources, for 2019. Cruises are excluded from all these numbers.

This post is part of the [#COVID-19 and the Pacific](#) series.

About the author/s

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

Sadhana Sen

Sadhana Sen is the Regional Communications Adviser at the Development Policy Centre.

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