

ECONOMIC IMPACT OF INTERNATIONAL YACHTING IN KIRIBATI



Market Development Facility

The Market Development Facility (MDF) is a multi-country initiative that promotes sustainable economic development, through higher incomes for women and men, in our partner countries.

We support partners from business and government to identify and grow commercial opportunities that are profitable, scalable, and deliver social and environmental value.

MDF is funded by the Australian Government and co-funded by the New Zealand Government in Samoa, Vanuatu and Tonga. It is implemented by Palladium, in partnership with Swisscontact. The views expressed in this publication are the authors' alone and are not necessarily the views of either government.

EXECUTIVE SUMMARY

Tourism remains limited in Kiribati, with only 25 per cent of visitors coming for holidays. The potential to grow air arrivals is constrained, but nautical tourism provides an opportunity to increase visitors to Kiribati and diversify the economy. Yachts represented a small portion of arrivals, but yacht tourists typically stay longer and spend more money than other tourists. They also tend to visit remote regions and communities that do not usually benefit from general tourism.

There is a lack of data on the yachting industry in Kiribati. Market Development Facility (MDF), the Kiribati Tourism Office and the Kiribati Customs Administration and Enforcement have collaborated to complete the first independent economic impact assessment of Kiribati's yachting industry.

Key findings of the research covering yachts entering Kiribati in 2023 are below.



An estimated 14 yachts visited Kiribati in 2023, all under 24 metres. There were no visits from superyachts.



Most yachts visiting Kiribati are registered in the US, Europe, New Zealand and Australia.



Kiribati's unique position spanning the equator makes it an important destination for yachts in the Pacific to escape cyclone or typhoon seasons.



Visiting yachts brought 30 crew and an additional 30 guests to Kiribati.



Most yachts based themselves in Tarawa, and approximately half of these visited the outer islands.



Yachts stayed for 25 days on average.



Yachts spent an average of AUD 5,690 per visit, resulting in an overall direct spend of AUD 79,660.



Spending by yachts was for fuel, maintenance, dockage, food provisioning, visiting villages, restaurants, and a range of other tourism activities.



When indirect expenditure is added, yachting and related support industries contributed AUD 117,943 to the Kiribati economy in 2023.

The yachting industry has the potential to become a source of foreign exchange and contributor to tourism growth for Kiribati. This would require combined efforts by government, businesses, communities, and regional organisations.

This report recommends a strategy of initially modest promotional initiatives to test growth potential. If there is a response, more ambitious interventions and investments should be considered to take advantage of Kiribati's unique yacht cruising opportunities.

Foreword

The Economic Impact of International Yachting in Kiribati report (this report) is an AMSTEC Pty Limited (AMSTEC) publication produced for The Market Development Facility (MDF). The research and analysis undertaken by AMSTEC uses baseline data derived from consultants' desktop research, interviews with Tourism Authority of Kiribati (TAK), an online international targeted survey, and our expert industry knowledge.

The output for this study, as directed by MDF, was limited scope for a report for Kiribati that includes:

- a. estimates of potential direct and indirect economic impacts of yachting tourism
- b. a map the major yachting routes (regional and country-specific), anchorages and attractions
- c. recommendations to support the growth of yachting tourism.

AMSTEC and specialist sub-consultants were responsible for research and analysis and preparation of this report. AMSTEC project lead was Adrian Sammons. Specialist sub-consultants were Rory Garland (yachting market assessment) and Leo Drynan (economic impact model and analysis).

Notations and Limitations

AMSTEC excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by AMSTEC in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope of limitations set out in the report and guided by the original MDF terms of reference.

The opinions, conclusions and any recommendations in this report are based

on conditions encountered and information reviewed at the date of preparation of the report. AMSTEC has no responsibility or obligation to update this report to account for events or changes occurring after the date that the report was prepared.

AMSTEC otherwise disclaims responsibility to any person other than MDF arising in connection with this report. MDF consultant contract reference number: GBL PC01 SOP01 TL23 21 August 2023.

Acknowledgements

This report has been produced with support from Tourism Authority of Kiribati (TAK) through the Ministry of Tourism, Commerce Industry and Cooperatives (MTCIC) and the Market Development Facility (MDF).

We are grateful to the stakeholders in Kiribati's yachting industry and the government agencies

in Kiribati, particularly TAK through the MTCIC. Acknowledgement to Kiribati Customs Administration and Enforcement, who provided supporting yacht clearance data for the study.

Finally, our sincere gratitude to Josefa Vanuaca, Business Adviser at MDF, for his professional coordination of this project.

Statement of Use

This is a Kiribati yachting industry report prepared by AMSTEC Pty limited (AMSTEC), with the assistance of Tourism Authority of Kiribati (TAK) and supported by Market Development Facility (MDF).

This report may only be used and relied on by MDF and partners for the purpose agreed in the terms of reference and as set out in this report. Surveys were conducted between 14 September and 31 December 2023.

Table of contents

EXECUTIVE SUMMARY	3
1. INTRODUCTION	10
2. OBJECTIVES	12
Scope of the Study	13
Objectives of the Study	13
3. METHODOLOGY	14
Methodology Process	15
Data Sourcing from International Yachts	15
Data Sourcing from Industry	16
Specification of Survey	17
Target Population	18
Yacht Surveys	20
4. DATA ANALYSIS	22
General Data Analysis	23
Comparison of Results from Three Regional Yacht Surveys	23
Visiting Yacht Profile	23
Length of Stay	24
Seasonal Factors	25
5. MARKET ASSESSMENT	26
Yacht Migration Between North and South Pacific	27
Anchorages and Attractions	28
6. ECONOMIC IMPACT	30
Direct Visiting Yacht Spending	31
Estimation of Total Economic Impacts	32
Discussion of Economic Impacts	33
Estimation of Total Economic Impact – Top-Down Approach	34
7. SWOT	35
SWOT Analysis for Kiribati	36
8. STRATEGY FOR GROWTH	37
Growth Potential for Yachts Under 24m	38
Growth Potential for Yachts over 24m	38
Marketing Channels	39

Tables

Table 1 Summary < 24m yacht activity and spend statistics for Kiribati, Tonga, Vanuatu and Fiji	23
Table 2 Direct Annual Yachting Spend for all yachts	31
Table 3 Type 2 multipliers for general tourism (WTTC, 2023)	33

Figures

Figure 1 - Methodology Involved in Data Acquisition	17
Figure 2 - Online Yacht Surveys Home Page	19
Figure 3 - Map of Kiribati Island Groups	21
Figure 4 Yachts in Kiribati by size (LOA feet)	24
Figure 5 Visiting yachts by region of origin (based on Flag State)	24
Figure 6 Duration of stay	25
Figure 7 Number of visiting yachts in Kiribati by month (2023/2024)	25
Figure 8 seasonal yacht migration routes through Kiribati	27
Figure 9 - Yacht Anchorages and Visitor Attractions	29
Figure 10 Components of Total Economic Impact	33

Cover photo © Rory Garland 2012

Cover Photos Sections 1,2,3,4, and 5 © Rory Garland 2012

Cover photos Sections 6 and 7 © Tourism Authority Kiribati 2024

Key findings



Yacht and Superyacht Arrivals 2023

This is the first independent economic assessment of Kiribati's international visiting yacht industry. Kiribati Customs Administration and Enforcement under the Ministry of Justice (MOJ) as well as Immigration Department from the Ministry of Foreign Affairs and Immigration (MFAI) data was the primary source of arrival numbers.

The visiting yacht season in Kiribati is September to April, which is different to most other island states. The economic analysis uses the calendar year for commonality with other studies.

A total of 14 visiting yachts arrived in Kiribati between Jan-Dec 2023 and 16 visiting yachts arrived between April 2023 and April 2024. These yachts were all under 24 meters in length. There were no recorded superyacht arrivals.

It is estimated AUD 79,661 foreign exchange was spent by visiting yacht crews, going directly

into Kiribati businesses and communities for fuel, maintenance, dockage, food provisioning, restaurants, bars as well as cultural visits and other tourism activities.

Most international yachts base themselves out of Kiribati's main yachting centres of Tarawa or Kiritimati and sail to outer island cruising areas. They are required to return to the main islands for clearance for onward voyages.

It is apparent that almost all yachts that visited Kiribati were stopping over on voyages between the south and north Pacific.

Tarawa's location on the trans-equatorial yacht migratory axis is its main attraction. There is evidence that yachts that stop in Tarawa spend time there and may visit the outer islands before returning to Tarawa to move north to Marshall Islands, or south to Tuvalu.

The average length of stay is highly influenced by three yachts that stayed more than 50 days. The other yacht arrivals stayed in Kiribati for less than four weeks.





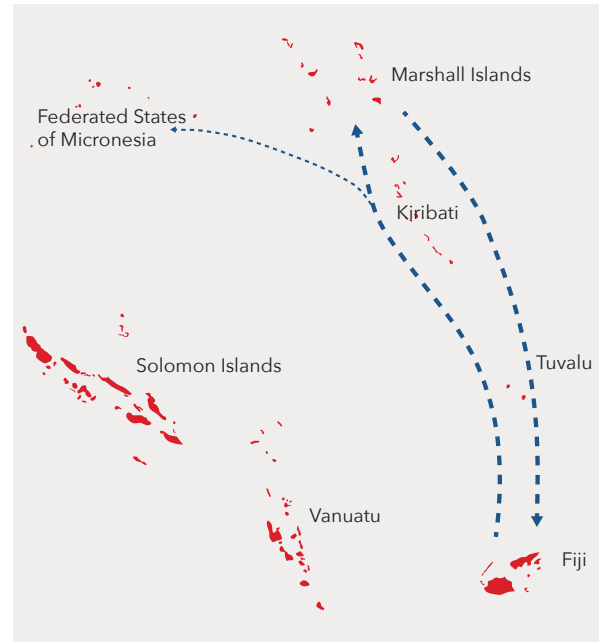
Yachts and Spending in Kiribati

- An estimated 16 visiting yachts were in Kiribati during the 2023/24 yachting season (Apr 2023-Apr 2024). All were under 24m in length.
- Visiting yachts brought 30 crew and an additional 30 guests to Kiribati (most of whom would have flown in and out while in Kiribati).
- The average yacht stayed in Kiribati for 25 days.
- Each yacht spent AUD 5,690 while in Kiribati, with an overall direct annual spend of AUD 79,661.
- This AUD 79,661 foreign exchange was spent directly in businesses and communities for fuel, maintenance, dockage, food provisioning, restaurants, bars as well as cultural visits and other tourism activities.
- While most of the spend was focussed on the main yachting centres (Tarawa and Kiritimati), impacts would also have been spread across the remote parts of Kiribati visited by yachts.
- These communities do not usually benefit from general tourism.



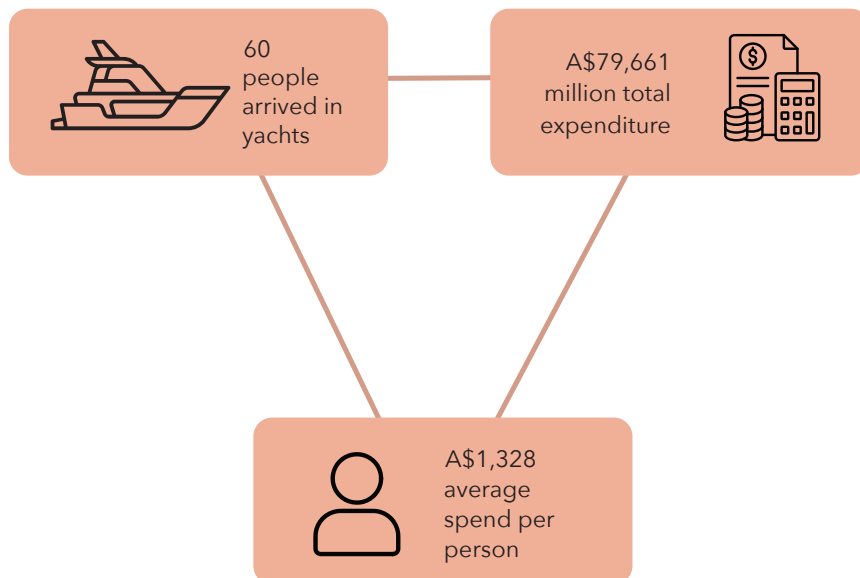
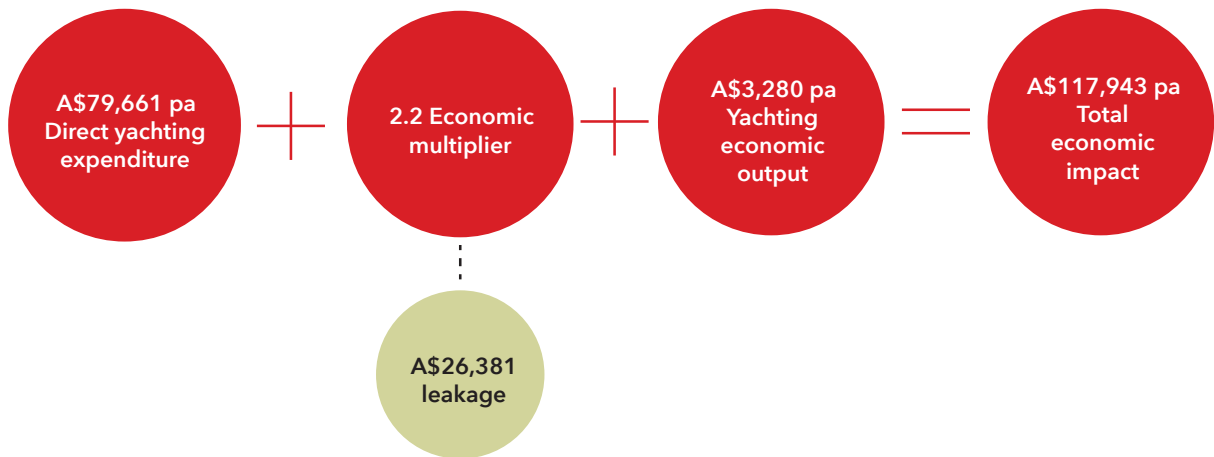
International Yacht Voyage Routes to / from Kiribati

- Most yachts stopping in Kiribati are registered in the US, Europe, New Zealand and Australia. They are very much driven by the seasons and the need to avoid the south Pacific cyclone season (November-April) and the higher frequency of typhoons in the north Pacific (April-November)
- Yachts passing through Kiribati are using a cruising route which takes advantage of the axis of islands formed by Tuvalu and Kiribati (Gilbert and Ellis Group). This axis provides a spur off the main south Pacific cruising 'highway' from French Polynesia through to Tonga, Fiji, Vanuatu, New Caledonia and Australia.
- Most yachts base themselves in Tarawa and about half of these cruise out to some of the closer outer islands.





Yachting Economic Contribution to the Kiribati Economy





1. INTRODUCTION

In many tropical countries that consider tourism as a means of development, yachting tourism has become an important niche sector. Yachting tourism creates employment opportunities, foreign exchange income, socioeconomic and socio-cultural impact, and an increase in policy support incentives for the sector.

The Kiribati Government has pushed for increased tourism activities, and visiting yachts are an important sub-sector. As mentioned in the Kiribati National Tourism development plan 2019, "Yachting and super yacht segments are important markets for Kiribati. The latter segment has been growing in the Pacific and in particular offers a high yielding marine based segment which can bring significant economic benefits to Kiribati. Greater efforts need to be made to further support both of these important marine based segments⁴.

Many yachting tourists interact with local people when they visit towns, cultural and historic sights, go shopping and attend social outlets like restaurants, bars and clubs.

Yachting-driven expenditure and economic impact can be widespread, as these tourists access more remote locations and destinations.

The economic impact of yachting from Kiribati's leading anchorages (Tarawa and Kiritimati) has been captured to provide baseline data on the yachting sector's impact on the economy.

Given the importance of yachting tourism activity, there is an opportunity to support further strategic and targeted development of the sector to increase the positive impact on the local economy.



© Tourism Authority Kiribati 2024



2. OBJECTIVES



Scope of the Study

The Kiribati yachting tourism sector is potentially a growing sector that could touch all aspects of the Kiribati economy.

According to the yachting industry, external stakeholders have limited understanding of how the yachting industry works, what it contributes to the economy, and the value of unlocking key constraints. Thus, the yachting industry has identified the need for a comprehensive, robust, and evidence-based report to identify current activity and the potential.

MDF engaged the services of an independent consultant – AMSTEC Pty Ltd – to undertake an economic impact study on the current levels of yachting tourism Kiribati. The output of the study is designed to enable stakeholders to better quantify the economic contribution and identify areas for future growth. The report covers:

Profile of visiting yachts

- Where the travel from and to
- Types of yacht and crew / guests
- Length of stay in Kiribati

Expenditure

- Spend to Kiribati businesses
- Spending on yachts and crew / guests



Objectives of the Study

The scope of this study was limited to desktop research and data sourced from Kiribati Customs Administration and Enforcement and any online survey responses. Terms of reference reflect the condensed scope, which is outlined below.

- Identify and estimate potential direct and indirect economic impacts of yachting tourism in Kiribati.
- Map the major yachting routes in Kiribati and local economic impact in the areas visited.
- Develop an estimated yachting tourism multiplier for Kiribati.
- Provide a SWOT analysis for yachting tourism in Kiribati.
- Identify a set of prioritised recommendations to support the growth of yachting tourism in the country.





3. METHODOLOGY



Methodology Process

Data and information were collected to inform market and economic analyses. The process follows a logical sequence of:



The Initial yachting tourism sector assessment was designed to capture the key demand and supply characteristics. Activities included desktop research, data collection, structured online survey interviews, quantitative survey and analysis.

Sector assessment outputs were used to determine the total economic impacts of yachting tourism in Kiribati.

A SWOT analysis was used to identify the potential for growing the value of the yachting tourism market segments and scoping the risks and barriers.

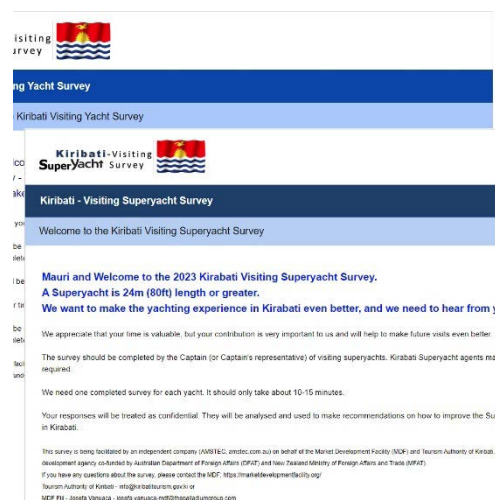
Data	Source data from all types of visiting yachts in Kiribati
Analysis	Full assessment of economic impact of visiting yachts in Kiribati
Growth	Recommendations to support growth of yachting tourism



Data Sourcing from International Yachts

Primary data was sourced from Kiribati immigration and Customs statistics and supplemented from a customised survey designed to provide a picture of 2023 international visiting yachts.

Two online questionnaire surveys were set up, one for yachts under 24m and one for superyachts over 24 m.



Yachts were contacted in four ways:

- email invitation
- through Kiribati Tourism Office
- through Kiribati Customs Administration and Enforcement
- through yachting social media.

Key input data was obtained from Immigration and Customs, which was sufficient to ensure capture of an annual pattern of visiting yachts, including;

- where yachts came from and where they were going next
- types of yacht
- length of stay
- locations of stay.

Key input data obtained from adjustments and transfer of findings from other Pacific spend patterns included:

- profile of visiting yachts
- profile of skipper / crew and guests
- How much visiting yachts were spending, and on what
- spend to Kiribati businesses
- spend on yachts and crew.

Only a small sample of data was obtained from the yacht surveys, consistent with the small volume of yachts visiting Kiribati.



Data sourcing from industry

The Kiribati yachting study terms of reference did not include a field visit. The below methodology describes how an estimated economic impact was derived.

The study drew upon findings from surveys undertaken for Vanuatu and Tonga in 2023/24, by focussing on understanding the supply and demand lines associated with yachting within these two economies. In both countries, field surveys were undertaken with local businesses, asking the following questions.

Relevance:

- How does yachting support each business and how does yachting provide each business with revenue?

Dependency:

- Does yachting represent a major client / sector for each business?
- Percentage of revenue derived from international visiting yachts.

Employment:

- Number of people employed by each firm engaged in supply of services.
- Average wage of an employee (est. p/hr)
- Is work seasonal (are additional staff during busy seasons? If so, how many?)
- Location of employees and where staff travel from / to work.

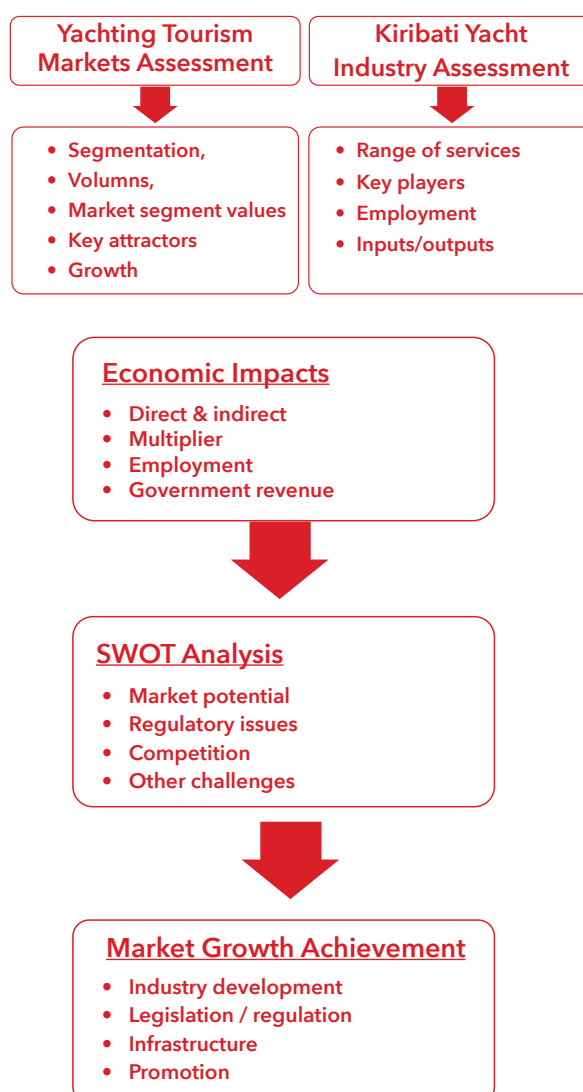
Indirect:

- Is local business used to supply primary business? If so, which businesses?
- What are the major operational costs of each business?
- Are any inputs from international business (percentage of suppliers / goods that originate from international suppliers)?
- Is there competition in each identified industry sector?
- Is there local competition? If so, how many competing businesses?
- Where are you placed in terms of size against your competitors?

General:

- How are the economic conditions? Has the local economy been growing / will it continue to grow to support yachting?
- Additional information to clarify the interaction between the suppliers and international visiting yachts.

In the absence of local economic data for Kiribati, the economic structures and trends observed in Tonga and Vanuatu were used as a proxy for economic activity within Kiribati. The gathered data played an important role in estimating the potential magnitude of economic multipliers applicable to yachting within Kiribati and the subsequent SWOT and market growth analyses.





Specification of Survey

Survey Overview

- Data collection and analysis was the most significant activity of the study.

Objectives for the yacht survey

- To provide a sufficiently complete and reliable dataset to be able to estimate total spending by visiting yachts during 2023.
- To provide the basis for segmentation and quantification of the yachting tourism market.

Information required to meet objectives

- Characteristics of yacht, crew and guests that visit yachts while in Kiribati.
- Details of the yacht's voyage in the Pacific and within Kiribati in 2023.
- Spending on the needs of the yacht while in Kiribati in 2018.

- Spending on and by the crew while in Kiribati in 2018.
- Attitudes to Kiribati yachting experience.

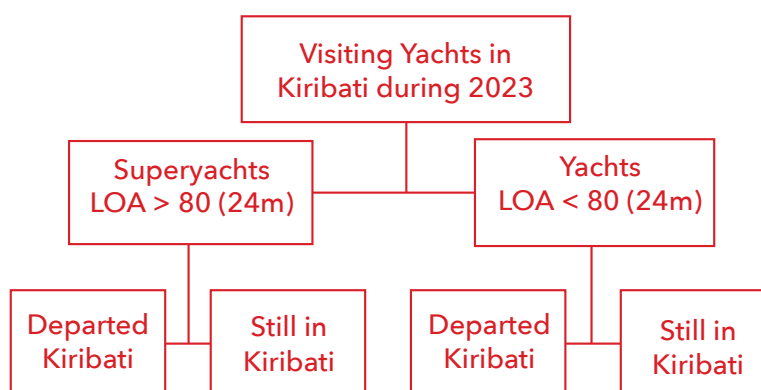
The yachting tourism market was split into two groups to be targeted with questionnaire surveys – Superyachts over 24m and yachts under 24m.

The scope for the study allowed four months for data collection during Sept-Dec 2023.

Three methods of fieldwork were used. No field work for this study was undertaken, given the reduced scope.



Figure 1 - Methodology involved in data acquisition



1. Face to face interviews	Field visit not undertaken - reduced ToR scope			
2. Online surveys	X	X	X	X
3. Through KNTD / Customs		X		X
4. Through yacht social media	X	X	X	X



Target Population

The Kiribati yachting study is focussed on the economic impacts of yachting tourism. The target population for the survey is therefore yachts that are (or were) in Kiribati for tourism purposes during 2023.

The primary unit of measurement in the survey was 'yachts' (represented by captains). This was simpler than attempting to survey individual owners, crew, and guests.

The yachts of interest are those whose spending while in Kiribati is foreign exchange. This target population will predominantly be made up of foreign-owned vessels with varying lengths of stay.

There are also a small number of foreign-owned, imported yachts which are permanently in Kiribati. These are not included in the assessment.

Population measurement

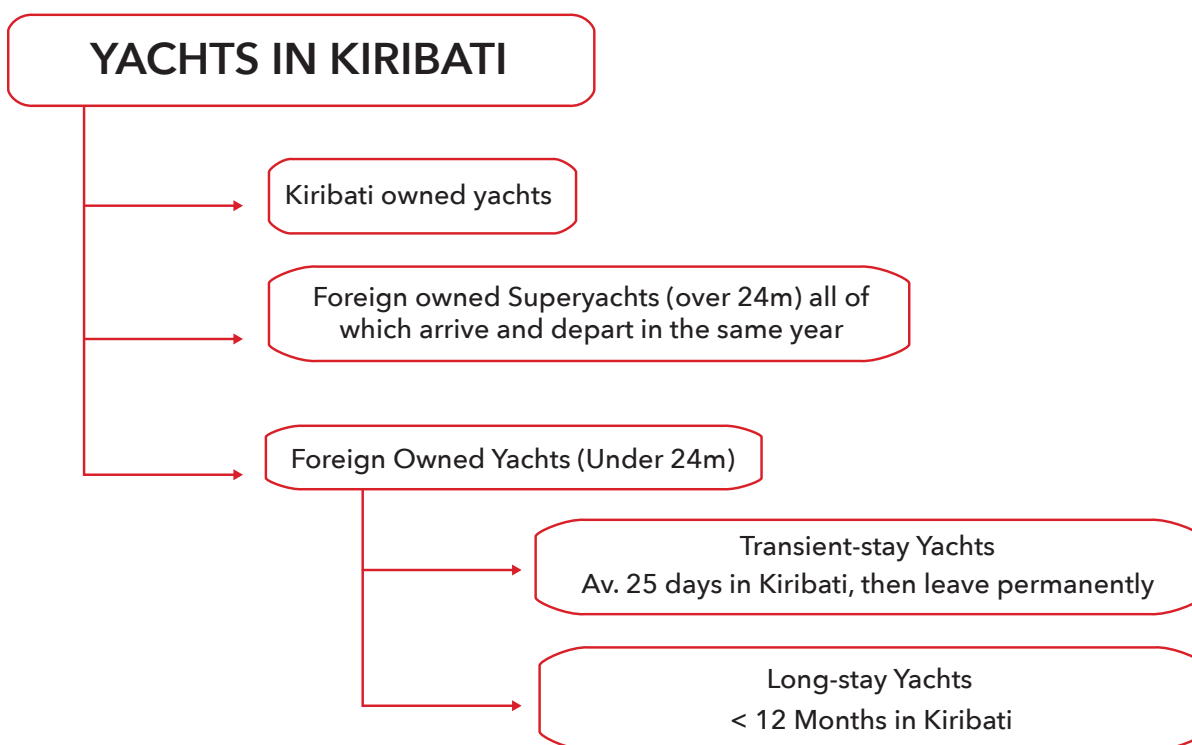
Past studies for yachting in Kiribati have not estimated total yacht tourism arrivals. A study in 2021 involved collection of survey data from 183 respondentsⁱⁱ but it is not clear what population definition these numbers reflect.

This 2023 study was tasked with making a conditional assessment without field visits and without using satellite automated identification system (AIS) data.

Past yacht population data was available primarily from two sources:

- Kiribati Customs and Inland Revenue Service (VCRS) records of yachts clearing into Kiribati
- Kiribati Bureau of Statistics

Neither of these sources provide a definitive quantum of the total target population, so past baseline estimates have been made on the best available information.



Questionnaire design

Different questionnaires were designed for the yacht and superyacht surveys.

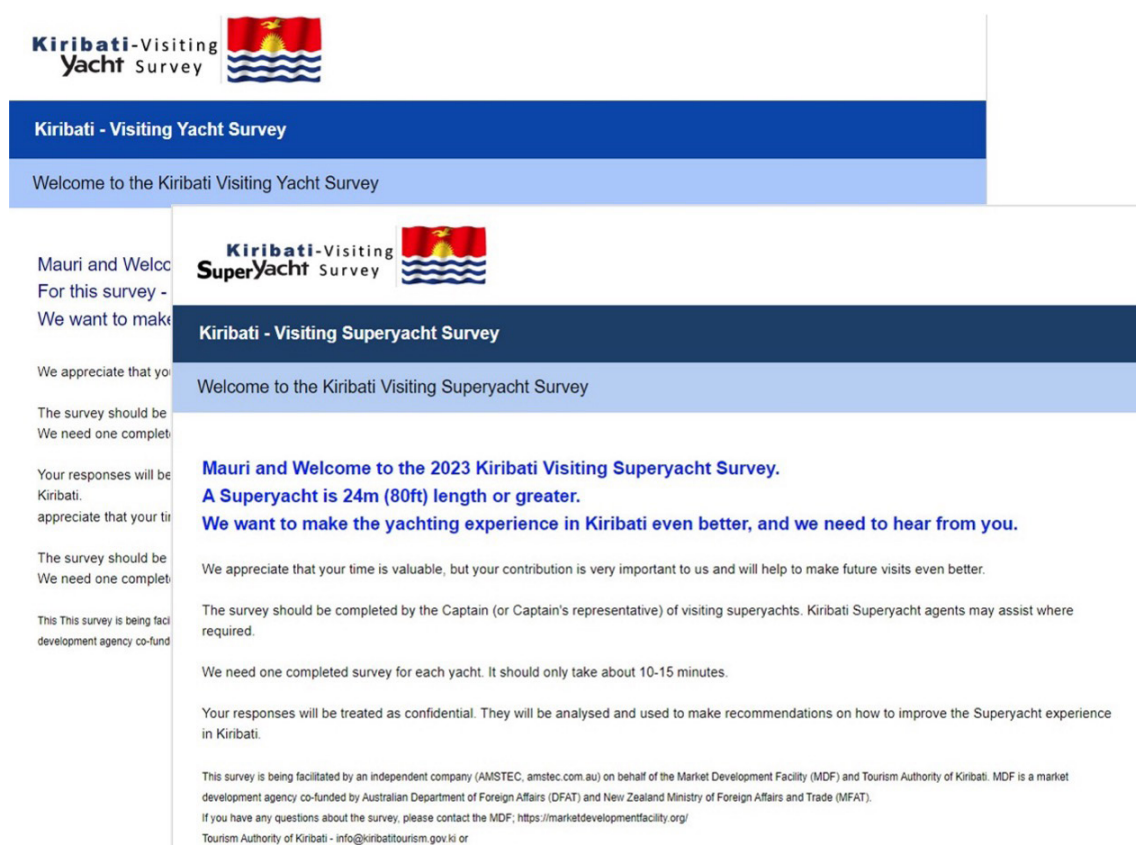
- Yacht respondents were asked for more detail about the range of spending on the yacht and by the crew. The questionnaire reflected the fact that these yachts are generally owner-operated and guests are invited, rather than paying passengers.

- Superyacht respondents were asked about spending on the known cost of operation. Superyachts are generally operated by a professional captain and crew for either charter purposes, or owner / guest visits.

Both questionnaires were targeted at captains or captain's representatives. Crew and guests were disqualified.

Collector control was managed to ensure that there was only one respondent per yacht.

Figure 2 - Online yacht surveys home page



Kiribati-Visiting Yacht Survey

Kiribati - Visiting Yacht Survey

Welcome to the Kiribati Visiting Yacht Survey

Mauri and Weloc
For this survey -
We want to make

We appreciate that you
The survey should be
We need one complet

Your responses will be
Kiribati.
appreciate that your ti

The survey should be
We need one complet

This survey is being faci
development agency co-fund

Kiribati-Visiting SuperYacht Survey

Kiribati - Visiting Superyacht Survey

Welcome to the Kiribati Visiting Superyacht Survey

Mauri and Welcome to the 2023 Kiribati Visiting Superyacht Survey.
A Superyacht is 24m (80ft) length or greater.
We want to make the yachting experience in Kiribati even better, and we need to hear from you.

We appreciate that your time is valuable, but your contribution is very important to us and will help to make future visits even better.

The survey should be completed by the Captain (or Captain's representative) of visiting superyachts. Kiribati Superyacht agents may assist where required.

We need one completed survey for each yacht. It should only take about 10-15 minutes.

Your responses will be treated as confidential. They will be analysed and used to make recommendations on how to improve the Superyacht experience in Kiribati.

This survey is being facilitated by an independent company (AMSTEC, amstec.com.au) on behalf of the Market Development Facility (MDF) and Tourism Authority of Kiribati. MDF is a market development agency co-funded by Australian Department of Foreign Affairs (DFAT) and New Zealand Ministry of Foreign Affairs and Trade (MFAT).
If you have any questions about the survey, please contact the MDF: <https://marketdevelopmentfacility.org/>
Tourism Authority of Kiribati - info@kiribatitourism.gov.ki or



Yacht Surveys

Yachts visiting Kiribati will almost certainly visit one (or more) of the main yachting centres. These centres provide them with opportunities for inward / outward clearance, fuel, provisioning, safe anchorages, limited berthing, maintenance and repairs.

Yachts visiting these centres may be registered by the authorities or business management. This provided a useful source of contacts for most yachts currently in Kiribati and for some that have already departed.

Online survey self-completion

The online survey hyperlinks were circulated to the Tourism Authority Kiribati (TAK) along with an e-Flyer that had a Q-code.

Social media involved with yachts visiting Kiribati agreed to circulate the survey links to yachts on their database and post on their blogs, websites and other social media platforms.

The e-flyers were distributed by yachting social media services including their information websites. The single-use link to the online survey was included on the flyer and on the yachting group websites.

**KIRIBATI
Yachting Survey**

Help us grow Kiribati as a world class yachting destination!

Kiribati is conducting a major survey of visiting yachts around Kiribati. This is the first of its kind for Kiribati.

We are working with The Tourism Authority of Kiribati to better understand Kiribati's yachting industry. Your answers will be used to drive positive changes at a national level and will help to considerably improve the yachting experience in Kiribati!

Follow the link below or use the QR code above to complete a simple survey. Completing this 10-minute survey will make a genuine difference to Kiribati.

<https://www.surveymonkey.com/r/SingleUseKiribatiYacht>

A big Ko raba in advance for taking the time to complete this important survey for Kiribati.

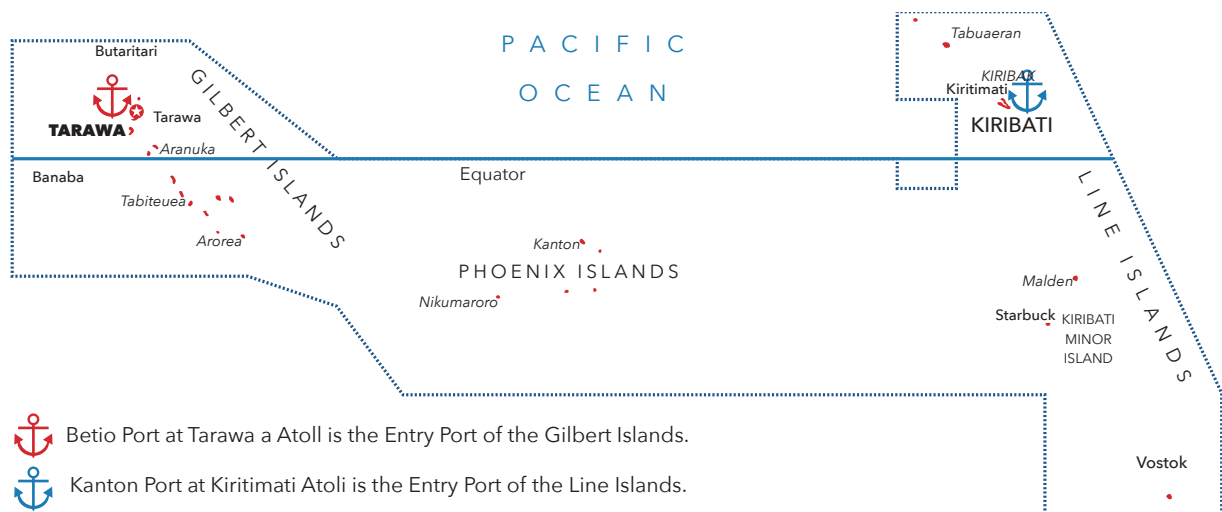
If you have any questions or concerns, please contact Rory Garland at garland.rory@gmail.com or the team at <http://www.visitkiribati.travel/>

Kiribati Customs Administration and Enforcement

TAK (Tourism Authority Kiribati) provided hard copies of the survey to Kiribati Customs Administration and Enforcement, which were distributed to visiting yachts at the time of

clearances. It was noted that Kiribati Customs Administration and Enforcement distributed the Superyacht survey forms for to yachts < 24 m. The AMSTEC project team actively followed up with yachting social media management to ensure correct distribution of survey links was ongoing throughout the survey period.

Figure 3 - Map of Kiribati island groups





4. DATA ANALYSIS



General Data Analysis

In the absence of any reliable yacht survey data, or AIS data, this analysis is based on Kiribati immigration data, customs data and our in-depth knowledge of yacht migratory patterns as they negotiate cyclone season in the South Pacific and peak typhoon season in the North Pacific.

We begin by providing an overall summary of Kiribati yacht activity and estimated spending for Kiribati and three countries across the South Pacific region. The Fiji survey and analysis was undertaken by AMSTEC in 2018, whereas the Vanuatu and Tonga surveys were undertaken in 2023.



Comparison of Results from Three Regional Yacht Surveys

The scale of the visiting yacht activity through Kiribati is less than the larger countries located on the main south Pacific yacht cruising 'highway' (Table 1). However, a small number of yachts do spend several weeks or more in Kiribati and the associated spending is estimated to be significant in the context of the population at 119,438.ⁱⁱⁱ It should be noted that this activity occurs in the absence of any effort to attract visiting yachts to Kiribati.

Table 1 Summary < 24m yacht activity and spend statistics for Kiribati, Tonga, Vanuatu and Fiji

Total spend comparison	Kiribati	Tonga	Vanuatu	Fiji (2018)
Visiting yachts under 24m	16	543	368	667
Avg. days in country	25	34	41	137
Total spend (USD million)	\$0.05	\$3.17	\$3.11	\$20.65
Total spend per yacht (USD)	\$3,100	\$5,845	\$8,450	\$30,960
Avg, daily spend (USD per yacht under 24m)	\$190	\$195	\$219	\$110



Visiting Yacht Profile

According to customs and immigration data, 16 foreign registered yachts, all under 24m, visited Kiribati between April 2023 and April 2024. Except for one larger yacht, all were in the under 50ft (15.2m) size range (Figure 4). As we have seen in Fiji, Vanuatu and Tonga, the 40-50 ft (12.2 – 15.2 m) size is the most popular

long distance cruising yacht for couples and families in terms of cost, safety, comfort and manageability.

Yachts visiting Kiribati were predominantly from the US, Europe, Australia, and New Zealand. US yachts will be attracted to the Marshall Islands, which have close connections to the US. Kiribati provides a good layover option between tropical south Pacific and Majuro.

Figure 4 Yachts in Kiribati by size

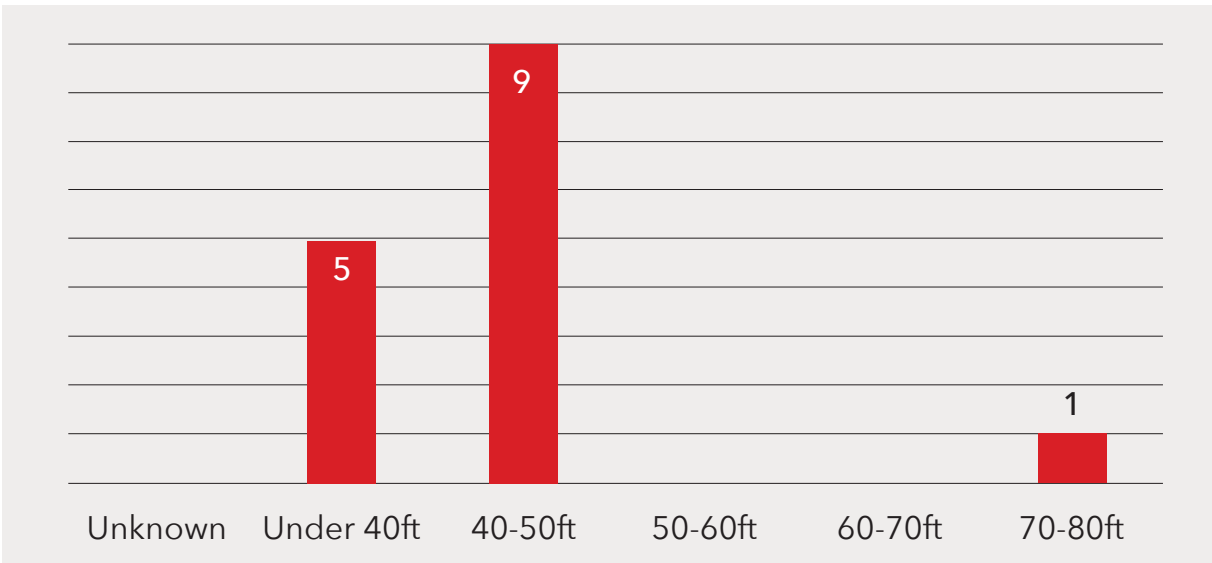
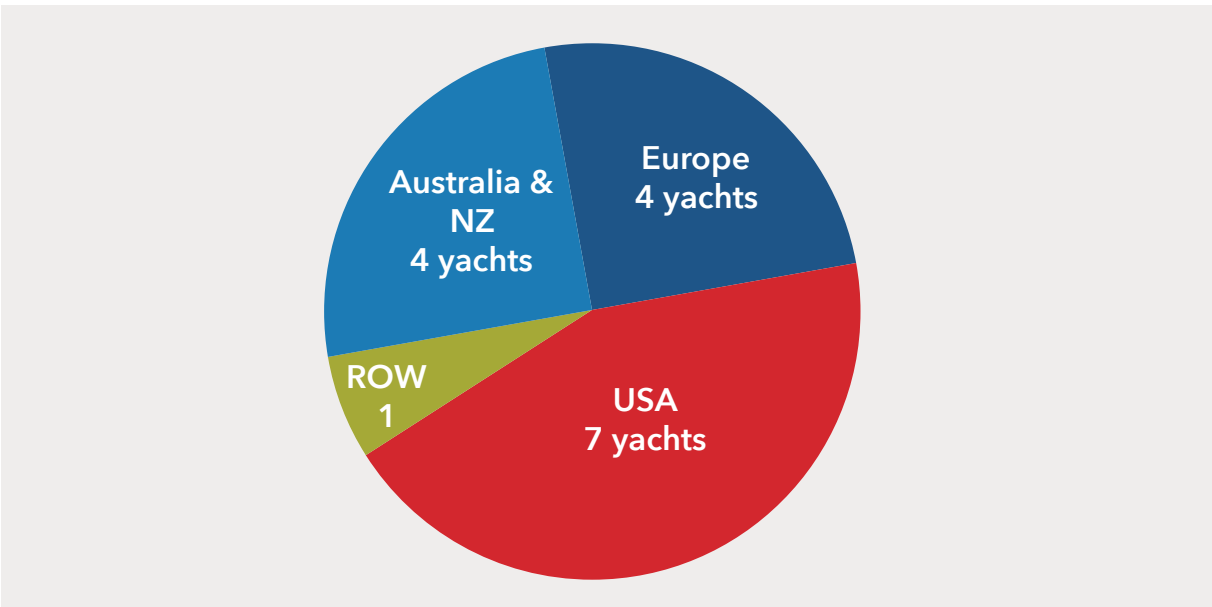


Figure 5 Visiting yachts by region of origin (based on flag state)

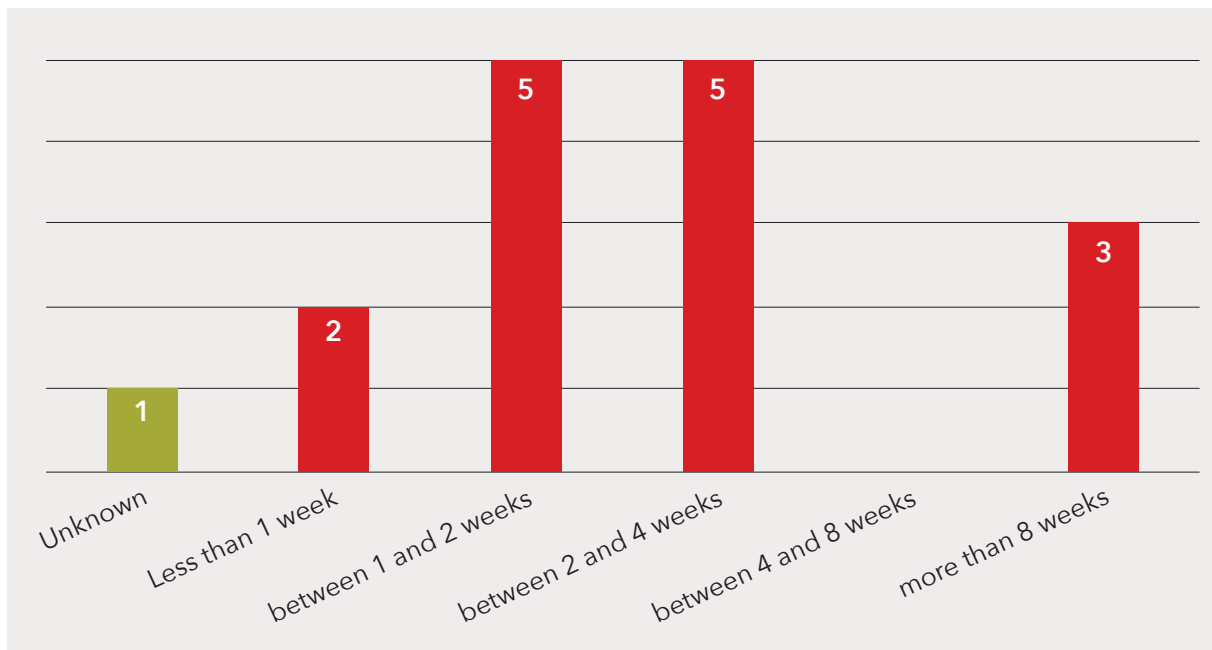


Length of Stay

The average length of stay for yachts stopping in Kiribati is 25 days. Kiribati is, for most yachts, a convenient stopover before transitioning from the south Pacific to the north Pacific. Tarawa lies just south of the intertropical convergence zone (ITCZ) and is a good location from which to wait for favourable conditions to continue north

to Majuro. Consequently, most yachts were in Kiribati for longer than a week (Figure 6).

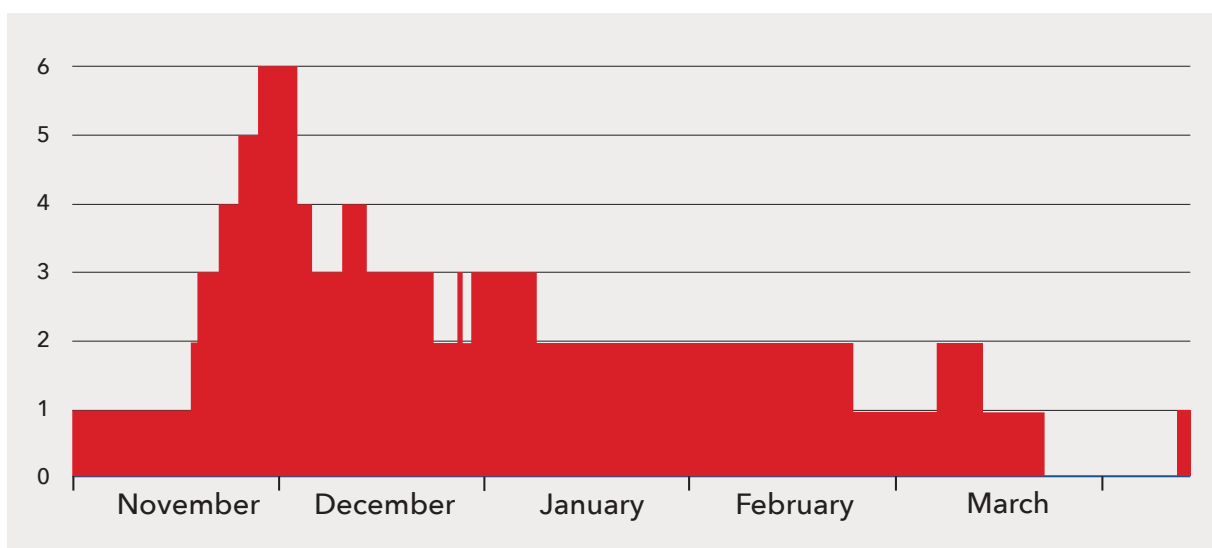
Despite Kiribati being a stopover for most yachts, seven out of the 16 yachts chose to explore Kiribati’s outer islands between clearing in and out at Tarawa. Kiribati’s exclusive economic zone distances are vast, with the sailing distance between Tarawa and Kiritimati being 3,300 km.

Figure 6 Duration of stay

Seasonal Factors

Being situated just south of the equator and ITCS, Kiribati islands make a good stopover for transiting between the south and north

Pacific and most yachts doing this route will stop in Kiribati to wait for favourable ongoing conditions. The peak time of yachts visits is therefore just after the onset of the south Pacific cyclone season, in November / December (Figure 7).

Figure 7 Number of visiting yachts in Kiribati by month (2023/24)



5. MARKET ASSESSMENT



Yacht Migration Between North and South Pacific

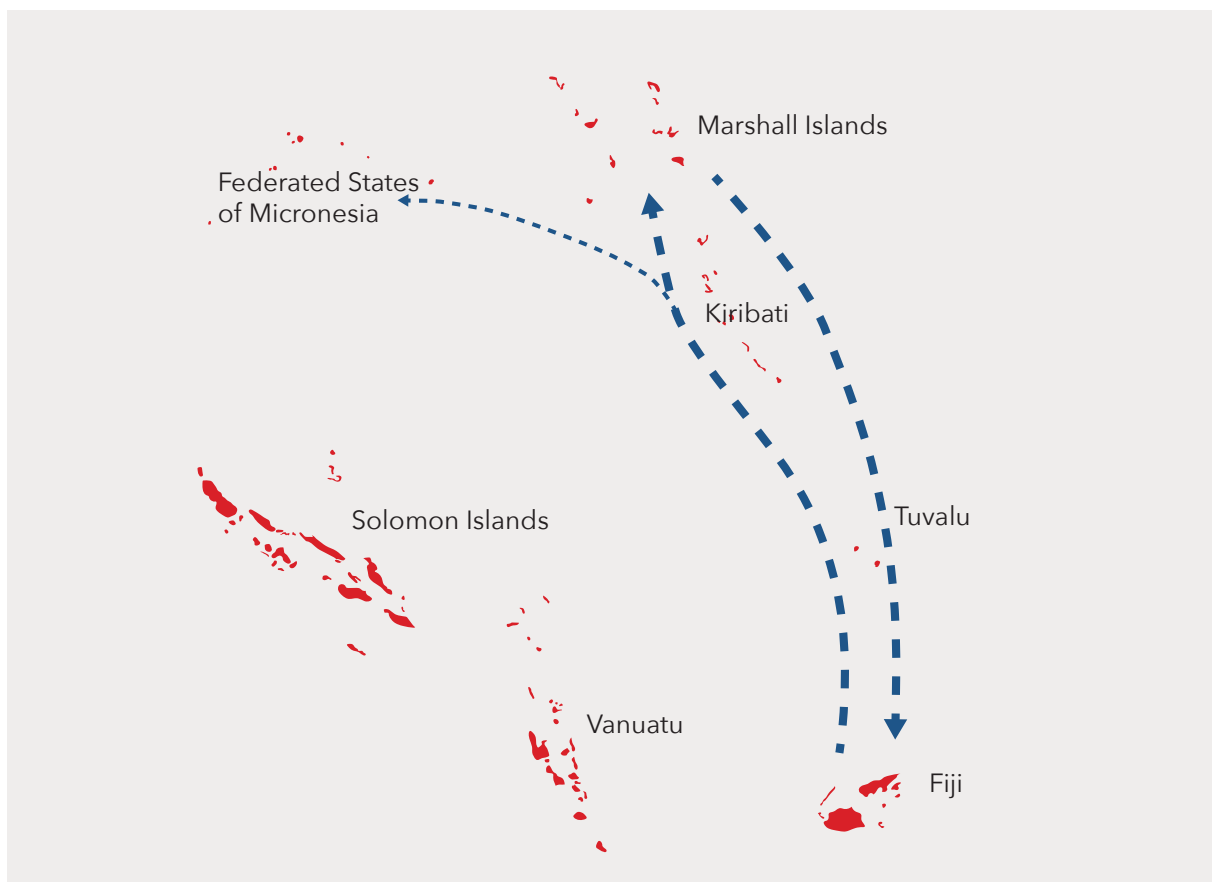
Kiribati is a convenient stopover between south Pacific and north Pacific cruising grounds. It lies on an axis of islands and atolls stretching from Fiji in the south to Marshall Islands and Federated States of Micronesia (FSM) in the North (Figure 8). This axis of islands creates a convenient route for yachts to make the journey north at the onset of cyclone season (November), and potentially south again when the balance of risk shifts to north Pacific typhoons (April).

Along this axis, Funafuti in Tuvalu and Tarawa in Kiribati make convenient stopovers to repair,

refuel, restock provisions and rest. These stops also provide an important opportunity to wait for favourable conditions ahead. While in Tuvalu and Kiribati, some yachts take the opportunity to visit the outer islands. These are very remote and challenging locations and yachts must be fully self-sufficient to make these excursions from the clearance ports. These excursions are made more arduous by the need to return to the main islands of Tarawa and Funafuti for clearance before continuing to the next country.¹

Yachts using this route between Fiji and the northwest tropical Pacific Island groups are a varied group that are not easily categorised. Generally, they are similar sized, highly independent yachts and crews, which can be independent from technical yacht services for extended periods.

Figure 8 Seasonal yacht migration routes through Kiribati



¹ In some cases this requirement to return may be relaxed

There are essentially no yacht-specific services in Tarawa or Funafuti, although there will be some more general marine technical services available. There is also very limited availability of produce and other provisioning supplies. Good quality fuel is available in Tarawa, although it must be carried by the crews from land-side service stations to yachts. Most of these yachts will make their own fresh water through on-board reverse osmosis installations.

For the purpose of this study, this diverse and independent group of yachts is divided into two groups.

- **Transiting yachts** - move quickly through the island groups and only stop to provision, refuel and wait for good weather.
- **Visiting yachts** - intend to visit remote and 'off the beaten track' groups of islands and / or the outer islands of each of the island groups.

The overall numbers moving through the area are very small and are primarily adventurous yachts that have relatively unrestricted time limits on their cruising.

Length of stay, which is already quite high at an average of 25 days, will be limited by both regulation and weather conditions.



Anchorage and Attractions

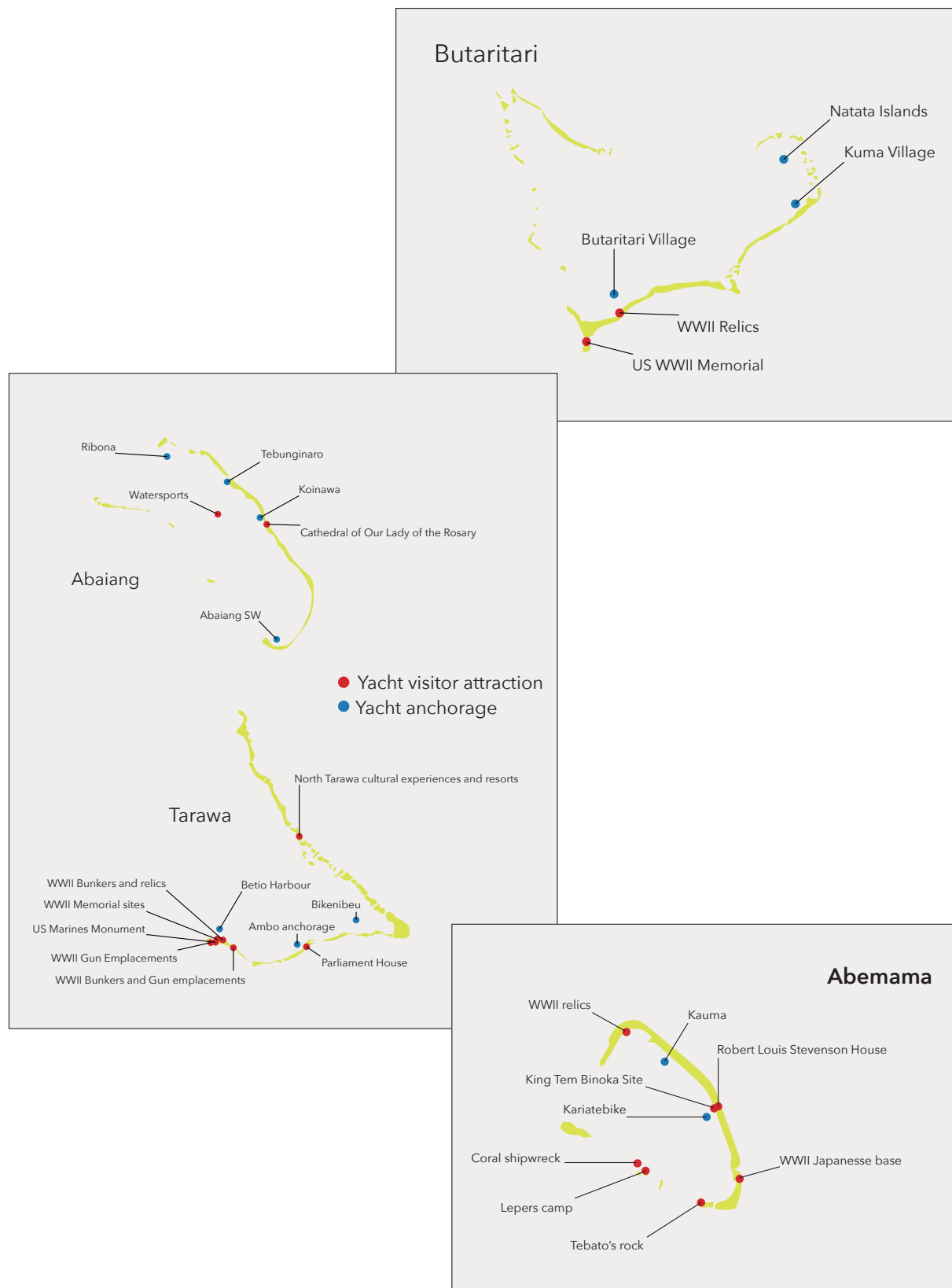
There are no yacht marinas in Kiribati, which dictates that safe anchorages are an important part of the cruising yachts' requirements. Marine charts and cruising guides are used extensively by yachts planning to cruise in Kiribati. Anchorages are generally not marked by the local authorities and swing moorings are not available. Cruising guides provide advice on safe anchorages including depths, prevailing winds and currents, conditions, and type of seabed.

Gilbert Islands: This group of islands includes the capital, Tarawa, and many other populated islands, such as Abaiang and Maiana. These islands are known for their beaches, snorkelling, and diving opportunities, as well as their rich cultural heritage. Visitors can explore traditional I-Kiribati villages, go fishing and witness the unique 'te mwaneaba' meeting houses. The history of Tarawa was its occupation by the Japanese during World War II and its subsequent capture by US forces, in one of the bloodiest battles of the Pacific Theatre. Many scars from this time period remain on Tarawa, including the big 8-inch anti-ship guns on the south (ocean-facing) side of Betio island, near the causeway connecting to Bairiki. Other significant remains in Betio include the Japanese command bunker, a very heavily built structure now located in the grounds of a Mormon church. Despite its thick reinforced concrete walls, this building was attacked and rendered unusable during the battle, and the damage can clearly be seen today. There is a memorial to the Americans who lost their lives in the battle, located outside the sports centre in Betio.

Line Islands: These islands are more remote and less visited. They are known for their beautiful coral reefs and rich marine life, including giant clams and sea turtles. The most well-known island in this group is Kiritimati, also known as Christmas Island, which is renowned for its world-class sport fishing, including game or bone-fish fishing.

Phoenix Islands: The Phoenix Islands are a UNESCO World Heritage Site and are known for their marine biodiversity and beautiful coral reefs. These islands are relatively undeveloped and are a great destination for diving and ecotourism. The Phoenix Islands' Protected Area is a must-visit for nature enthusiasts. Although access is limited to protect the ecosystem, you can arrange a visit to observe the diverse marine life and untouched coral reefs. This is a rare opportunity to witness conservation efforts in one of the world's largest marine reserves.

The main yacht anchorages and visitor attractions are shown in Figure 9.

Figure 9 Yacht anchorages and visitor attractions



6. ECONOMIC IMPACT



Direct Visiting Yacht Spending

The Kiribati Visiting Yacht Survey obtained arrival and departure dates from immigration and customs data. While the yachting season extends from April 2023 to April 2024, the economic analysis was undertaken on a calendar year (i.e. 14 yachts visited in 2023 in comparison to 16 yachts over the full season). Data for yacht spend per day across expenditure categories was derived from statistics obtained as part of the related *Economic Impact of Yachting in Tonga* report.

While the nature of yacht services and expenditure profiles is likely to differ between Kiribati and Tonga, the use of Tonga data was considered adequate to develop an

understanding of the economic contribution yachting may make to Kiribati. Standard expenditure rates were adopted per yacht day and were expanded based on vessel call logs and known seasonality factors. Yachting tourism expenditure was broken down into three major components – equipment, yacht services, crew living and recreational expenditure (Table 2).

The total annual yachting expenditure breakdown (AUD 79,661) represents approximately 0.4% of the 2023 total international travel and tourism direct expenditure in Kiribati. This expenditure was incurred over 60 individuals (comprising crew and guests), with an average annual spend per individual of AUD 1,328. This is considerably less than the average AUD 5,402 per tourist per annum across all travel and tourism.

Table 2 Direct annual yachting spend for all yachts

Category	Total Spend	Item	Total spend yachts (A\$)
Yacht equipment (including fuel)	AUD 7,984	New outboard motor	1,072
		New dinghy or tender	368
		New generator or engine	248
		New communications equipment	49
		New electronic equipment	31
		New electrical equipment (batteries etc)	302
		New sails or new canvas	25
		New general chandlery	4,296
		New fuel	1,594
Yacht services	AUD 12,909	Services marina	1,369
		Services haul out	285
		Services storage	3,688
		Services basic yard	966
		Services rigging	296
		Services engine	1,027
		Services sails	79
		Services electrical / electronic	358
		Services detailing	149
		Services metal fabrication	115
		Services provisioning	31
		Services yacht agents	4,546

Category	Total Spend	Item	Total spend yachts (A\$)
Crew living and recreational expenditure (Other)	AUD 58,768	Weekly shopping	30,019
		Weekly restaurant bar	18,399
		Recreational activities	4,724
		Medical / dental	247
		Taxis / car rentals	493
		Bus / coach / domestic flights	1,471
		Internet/phone communications	689
		Accommodation / hotels	636
		Retail shopping (clothing / watches / jewellery, etc)	893
		Handicrafts and traditional souvenirs	632
		Other	566
Yachting Industry Tourism Expenditure	Total	79,661	

Estimation of Total Economic Impacts

The economic impact of this expenditure into the local economy is best determined through the analysis of yachting specific TSAs, which demonstrate how yachting expenditure flows through to other sectors of the economy. Kiribati does not have any yachting or general TSAs. A detailed study of supply lines and accounting is required to develop TSA tables and generate a firm estimate of direct economic output and value added by the yachting industry.

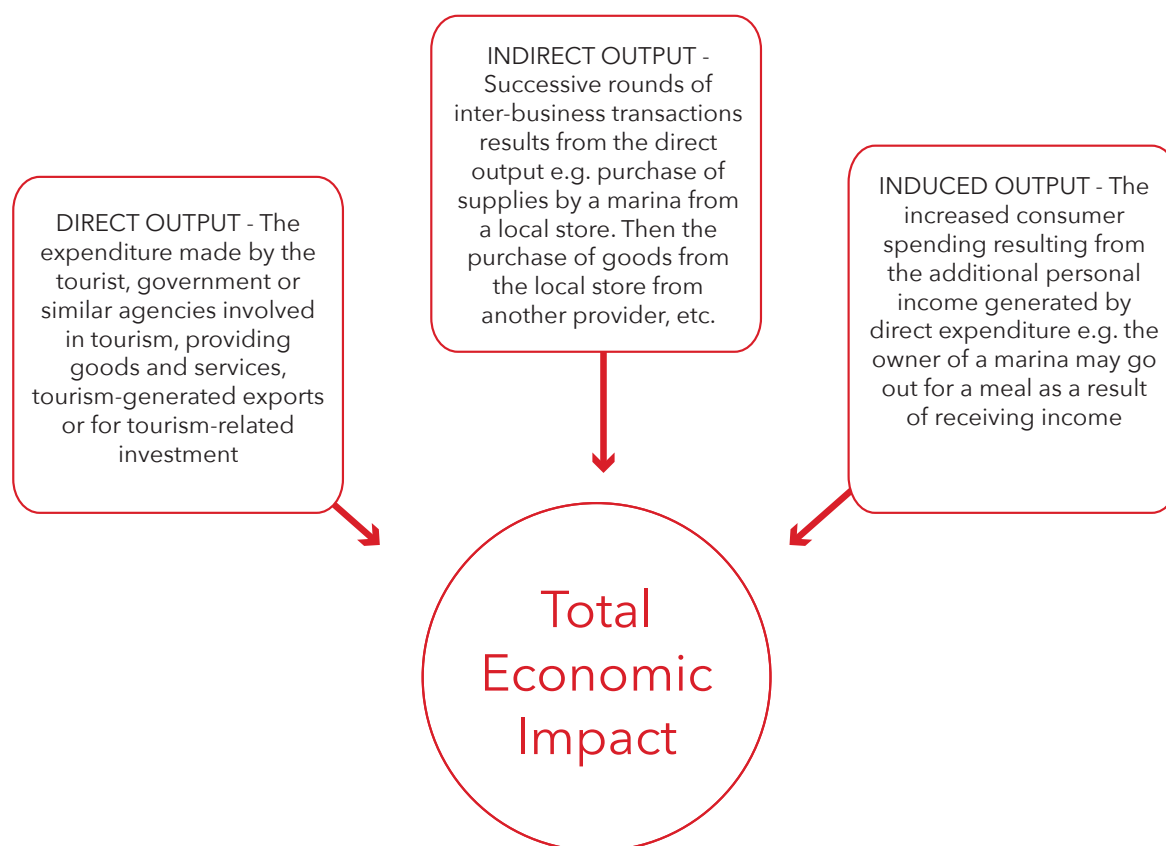
As an alternative, the direct expenditure information obtained was adjusted for tax estimations to approximate the direct yachting tourism demand. This demand was adjusted by an estimate of the proportionate expenditure on direct imports to provide an estimate of the direct yachting tourism output, which can be taken as an approximate measure of the direct economic contribution of yachting to the Kiribati economy. This output can be further adjusted by an estimate of intermediate consumption captured within the expenditure to identify the overall value added to the economy. The adjustments for tax and import leakage

were derived from proportions applied in the Economic Impact of Yachting in Tonga report.

This approach estimated an annual direct tourism output of AUD 53,280 (67% of yachting expenditure), and yachting tourism value added of AUD 23,364 (29% of yachting expenditure). This represents the direct contribution of yachting economic activity. In addition, there are indirect and induced contributions that arise in association with the direct expenditure that comprise the total economic Impact of yachting (Figure 10).

The magnitude of the indirect and induced components is typically estimated through consideration of a multiplier applied to the direct yachting output. For the purposes of the study, a Type II multiplier approach was taken. This multiplier represents the ratio of the value of initial investment against the total economic impact of the investment, capturing both the indirect and the induced outputs. The multiplier is applied to the direct expenditure to arrive at the total economic impacts.

The World Travel and Tourism Council publishes strategic level Type II multiplier for general tourism (Table 3).

Figure 10 Components of total economic impact**Table 3 Type II multipliers for general tourism (WTTC, 2023)**

Item	2019	2023
Vanuatu	3.3	2.3
Kiribati	2.2	2.2
Tonga	2.7	2.3

The Type II multiplier for travel and tourism has consistently averaged around 2.2 since 2019. This suggests that for each dollar of general tourism investment an additional AUD 2.20 of economic activity is generated. Given the fact that yachting participants in Kiribati spend less on average than traditional tourists, but likely do so in a way with less external leakage than traditional tourism, it is likely that the multiplier for yachting would be in this general vicinity.

In the absence of a yachting-specific TSA I-O model, application of the average Type II multiplier would suggest yachting's total economic output is AUD 117,943 per year (a net present value of AUD 1.7M over 30 years).



Discussion of Economic Impacts

The AUD 79,661 direct spending is foreign exchange paid in Kiribati-to-Kiribati businesses

Unlike other forms of tourism, visitors on yachts generally do not pre-pay and book services prior to arrival. All their spending is done once they arrive in Kiribati using foreign exchange. While accommodation expenditure is limited, external and diverse expenditure for living expenses and activities is substantial and typically greater than

parallel expenditure from other tourists (e.g. plane or cruise ship tourists).

Yachting has created a healthy environment for upskilling Kiribati labour

Kiribati's growth in yachting and its unique position in the Pacific has created significant demand for yacht maintenance and support services. These services require a higher level of skill than other forms of tourism and has resulted in a specialised and skilled workforce. Formal and informal training of labour has been driven by the need for yacht service suppliers to bring their competitiveness up to international levels.

Yachting impacts reach remote communities

Visiting yachts are now exploring almost all areas of Kiribati. Many of these visitors are seeking to experience the more remote and isolated islands and to interact with the communities living there. While the main spending is concentrated in the yachting centres, there is a disproportionate impact from even very small levels of spending and 'contribution' to these remote communities. The contributions known to occur because of yachting include:

- direct spending for informal tours and activities
- access to safe anchorages in bad weather
- exchange of produce and essential supplies
- emergency and charitable support
- repairs of village equipment such as generators and solar installations.



Estimation of Total Economic Impact - Top-Down Approach

As yachting expenditure data was not able to be sourced via the surveys for this study, the methodology works with the limited available data regarding yachting activity within Kiribati and extrapolates expenditure upwards (a bottom-up approach). However, it should be recognised that there is a significant degree of uncertainty associated with the level of yachting expenditure and its distribution across the broader Kiribati economy.

As an alternative, a top-down approach was also considered. Along with the multipliers outlined above, the World Travel and Tourism Council has estimated the level of travel and tourism expenditure at AUD 16.6M per year for Kiribati. Using the ratio of yachting tourism expenditure to general tourism expenditure derived in the Economic Impact of Yachting in Tonga report (10.8%), an annual yachting expenditure of AUD 1.2M in Kiribati would be expected. Using the ratio of yachting tourism expenditure to general tourism expenditure derived in the Economic Impact of Yachting in Vanuatu report (1.8%), an annual yachting expenditure of AUD 0.12M in Kiribati would be expected. The bottom-up approach is more in line with the proportions observed with the Vanuatu study. However, a more detailed, field-based study, would be required to better understand the proportionate contribution that yachting makes within Kiribati relative to other forms of tourism.

Application of the average Type II multiplier to this potential range of expenditure would suggest a total economic output from yachting of AUD 0.15 to AUD 1.5 million per year.



7. SWOT

An assessment of the strengths, weaknesses, opportunities and threats of Kiribati's yacht tourism offer is based on a broad regional understanding of yacht tourism markets and the relative merits of the competing destinations.

Across the broader region, French Polynesia and Fiji are the major attractors for yachts of all sizes with good cyclone season storage options. These countries lie on the main east-west south Pacific cruising route that extends from Panama in the east to Australia and through to

the Indian Ocean in the west. The Kiribati and Tuvalu axis provide an alternative route from the south to the north Pacific for yachts that want an alternative cyclone season avoidance strategy or want to cruise on to north Pacific destinations such as Philippines or Japan.

In this section we seek to summarise the key points into a SWOT assessment to provide a basis for consideration of possible growth strategies for Kiribati.

SWOT Analysis for Kiribati

Strengths

- Located on one of the few trans-equatorial yacht cruising routes in the Pacific
 - Outside cyclone and typhoon risk areas
 - Interesting and diverse outer island cruising opportunities
 - 'Off the beaten track' experiences for more adventurous yachts
 - Unique marine life and fishing opportunities
-

Weaknesses

- Very limited specialist yacht services
 - No marinas or dockage options
 - Very limited provisioning options
 - Requirement to return to Tarawa for clearance after visiting outer islands
 - Occasional storms and squally weather with limited protection
 - Very limited air connections
-

Opportunities

- Unique outer island cruising experience
 - Possible cyclone season storage but would need investment in physical infrastructure to create safe and secure location
 - Sportfishing charters or other marine sports (e.g. surfing)
-

Threats

- Perception of security concerns
 - Loss of connectivity (international air links)
-

A serene sunset scene over a beach. In the foreground, three traditional huts with thatched roofs stand on stilts over the water. The sky is a mix of soft pinks, oranges, and blues, with the sun low on the horizon. The water is calm, reflecting the colors of the sky. The overall mood is peaceful and contemplative.

8. STRATEGY FOR GROWTH



Growth Potential for Yachts Under 24m

The Kiribati Gilbert and Ellis island group lies on one of the few trans-equatorial routes in the western Pacific. There is an almost continuous string of islands through Tuvalu and Kiribati, which stretches from Fiji and Samoa on the main cruising route in the south to the Marshall Islands, FSM and beyond to Japan and the Philippines.

Most of the small number of yachts passing through western Kiribati are intent on reaching destinations beyond. However, Tarawa is a convenient stop-off on the way and there is evidence of yachts spending more than a week in Kiribati. Around half of these yachts take the opportunity to cruise to the outer islands (Gilbert and Ellis group) before returning to Tarawa for their onward clearance.

Social media and other reports from yachts that spend time in islands like Abaiang and Butaritari are very positive, despite the remoteness, lack of services and challenging pilotage. Current efforts to improve charting in some of the outer islands will go some way to resolving this last point.

Ambitions for growing yachting tourism in Kiribati need to be measured, especially in the context of location and remoteness. However, given the connection to the south Pacific yacht migration, there is potential to leverage the 500-700 yachts that traverse the south Pacific each year.

Kiribati is making incremental steps towards promoting itself as a destination along this north / south spur of the main cruising route. Kiribati itself is not currently a sufficiently attractive destination on its own. It should therefore seek to position the Gilbert and Ellis group as part of a bigger offer of north Pacific cyclone avoidance and a good stopping off point on routes further into the north Pacific.

It would make sense for Kiribati to connect with south Pacific regional groups (such as South

Pacific Sailing Network), who are promoting the south Pacific as a destination for yachting tourism, and to seek to include the north-south axis as an option in a south Pacific cruising itinerary.

Infrastructure development should also be considered, starting with lower cost structures such as swing moorings at locations populated by seasonal visiting yachts. Thereafter, shore-based developments could be considered at the same locations to support basic supplies of fresh water and provisions. Higher cost developments, like yacht marinas, require year-round occupancy to become commercially viable, yet smaller scaled pontoon berths may be fitted at locations including the capital of Bairiki, where yacht arrivals are concentrated.

Business developments, including yacht charters, may also be considered. However, this requires the consistent arrival of tourists by air to create commercial success. As shown in some neighbouring countries, successful bareboat and skippered yacht chartering requires government support for foreign yacht owner investment and tax-free periods for the yachts to reside as business assets.

Initially, a series of small-scale promotional initiatives should be considered, with results carefully monitored. If more yachts come through Tarawa and the surrounding islands, there may be justification for larger-scale investments to pursue more ambitious opportunities.



Growth Potential for Yachts over 24m

There was no superyacht activity recorded between April 2023 and April 2024. However, these large yachts are looking for opportunities to provide owners and guests with new experiences and Kiribati's remoteness and the possibilities of sportfishing and other marine sports is a potential attraction (as is sport fishing out of Kiritimati). The proximity of Majuro would

provide improved connections and technical service support for these vessels.

Again, it is proposed that some small-scale marketing should be used to test the waters. If there is interest, then Kiribati should consider regulation and policy initiatives that would enable superyacht operations (and potentially niche market charter operations) to develop.



Marketing Channels

The international yachting sector cannot be assumed to have the same marketing characteristics as general air travel tourism. Maritime tourism covers many sectors, including international yacht tourists (yachts <24m) and international superyachts (>24m). Local stakeholders include yachting tourism enterprise operators and employees, local governments, local tourism departments, those working in yacht repair and maintenance services, slipways and travel lift services, yacht marinas, yacht experts, and researchers.

In other countries, mature marketing campaigns for international maritime tourism have developed sophisticated channels. Some that may be suitable for Kiribati include destination marketing campaigns in international yachting trade shows and publication in yachting journals and websites. These types of campaigns have been successful in promoting regions for yacht tourism including Seychelles, Cabo Verde and Bahamas.

Marketing strategies should aim to raise awareness about Kiribati's yachting opportunities and attractions. While these opportunities are at a lower level than other Pacific countries, Kiribati can learn from the success of Fiji, French Polynesia and others.

Marketing strategies for maritime tourism need to cover yacht and other relevant trade shows, trade marketing, digital marketing, and a dedicated maritime tourism website. Such campaigns need to be carefully considered so as not to overpromise or raise the expectations of visiting yachts. Campaigns may begin with a market study followed by segmentation, branding strategy, marketing strategy and marketing campaign.

Successful campaigns have included online platforms for foreign yachts that offer a 'single window' for yachting tourism. These campaigns bring together interdepartmental agreements that permit foreign yachts to pre-clear arrival formalities online and depart from any tourist port or marina regardless of point of entry. They also mandated the transport ministry to issue a unified code for the establishment and operation of moorings and ports nationwide.

Official channels that ease the bureaucracy of red tape are also popular in yachting tourism. These consist of online platforms linked to the official websites of immigration, customs and biosecurity departments to smooth an international yacht's arrival. In some states, it provides an electronic entry visa for the skipper and crew.

Marketing campaigns that advertise yachting tourist attractions and provide local advice on customary village interactions, cost of local produce, availability of potable water, fuel and foods would boost yachting tourism in Kiribati. These campaigns would aim to increase the dwell time of visiting yachts in Kiribati.

Consideration should also be given to raising awareness among maritime tourism visitors regarding the protection of regional marine tourism ecological environments.

ⁱ https://corporate.visitkiribati.travel/download/kntds-2016-2019/?wpdmdl=300&_wpdmkey=661b060f5f939&subscriber=BvjFAUjq-vw6c-c4o7pNzD9RP3bjG2c12snVVctRNFxSxm_BcCKO10IBG8gBb2ld1gX8q6r9voiZjMJdqHSB5Q

ⁱⁱ Vanuatu Yachting Tourism Survey 2021 Department of Tourism May 2021

ⁱⁱⁱ <https://nso.gov.ki/>



**Australian
Aid** 



www.marketdevelopmentfacility.org



[@marketdevelopmentfacility](https://www.facebook.com/marketdevelopmentfacility)



[@MDFGlobal](https://twitter.com/MDFGlobal)



[@MDFGlobal](https://www.instagram.com/MDFGlobal)



[Market Development Facility](https://www.linkedin.com/company/market-development-facility)