

Media Statement



International visitor spend up 8.2% to \$6.6 billion

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International visitor spending in New Zealand increased to \$6.6 billion in the year to March 2006, up 8.2% on the previous year, according to data just released by the Ministry of Tourism.

“This high level of spending by international visitors in New Zealand represents a very positive result for the tourism industry given that international arrivals had actually dropped slightly over the same period,” said Bruce Bassett, Ministry of Tourism Research Manager.

The result includes the 2005 Lion’s Tour which clearly had a positive impact on the spending by the United Kingdom market, that increased by 18.5% to \$1.1 billion – a gain of \$172 million.

Highlights of key markets:

- Australia - up 8.8% to \$1.5b
- USA - up 5.6% to \$649m
- Japan - down 13.1% to \$496m
- China - down 39.5% to \$244m
- Germany down 4.9% to \$207m

Strong growth came from those on Holiday (up 8.3% to \$3.5 billion) and those Visiting Friends and Relatives (up 9.8% to \$1.2 billion). Business travel declined slightly (0.2%) to \$798 million and Education declined by 24% to \$472 million.

“This means that the all-important “leisure” travel component of the tourism industry has performed well in spending terms over the last year. As the lower exchange rate takes effect and as the Education sector stabilises, the outlook is positive, although a challenge for the industry will be to maintain growth in spending beyond the effects of the Lion’s Tour,” said Mr Bassett.

For further information on the release of International Visitor Survey data please visit the Ministry of Tourism research website (www.tourismresearch.govt.nz) or contact Markus Landvogt - telephone (04) 474 2683 or email markus.landvogt@tourism.govt.nz.

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Ministry of Tourism

www.tourism.govt.nz www.tourismresearch.govt.nz

Ministry of Tourism – IVS Media Release September 2006 Supplementary information

Table 1 demonstrates change in **spend** within New Zealand's top 10 markets. Due to large bases the growth spend by Australian (+8.8%) and UK (+ 18.5%) markets has been most significant as has the negative growth in the Japanese (-13.1%) and Chinese (-39.5%) markets.

Table 1: International Visitor Spend in New Zealand for years ended in March (in \$NZm)

Top 10 Markets	1999	2000	2001	2002	2003	2004	2005	2006	Last change
Australia	695	803	909	907	989	1,304	1,400	1,523	8.8%
UK	486	515	685	777	867	946	933	1,105	18.5%
USA	568	592	802	766	713	549	615	649	5.6%
Japan	566	662	700	662	654	640	572	497	-13.1%
Korea	49	135	108	223	347	626	254	255	0.1%
China	29	80	122	253	447	391	404	244	-39.5%
Germany	142	140	198	197	202	217	218	207	-4.9%
Canada	92	103	123	119	121	100	128	131	2.1%
Taiwan	96	119	129	124	160	125	77	101	31.0%
Singapore	61	92	93	91	82	74	73	121	65.4%
Other	799	959	1,041	1,426	1,611	1,340	1,470	1,811	23.2%
Total Spend	3,583	4,200	4,909	5,544	6,192	6,313	6,144	6,644	8.2%

Chart 1 below illustrates the steady growth in **spend** by international holiday makers since 1998. The expenditure for holidaymakers has returned to 2003 levels. The chart illustrates the recent decline in **spend** within the education sector.

Chart 1: International Visitor Spend in New Zealand by Purpose of Visits

