



# TOURISM LEADING INDICATORS MONITOR

SERIES 2009/6 **JULY 2009** NEW ZEALAND

This edition provides new data on:

- Inbound and Outbound Travel Jun 09
- Commercial Accommodation May 09

It features the Australian market of which visitor arrivals in the first half of 2009 defy recession, and shows the key contributors to visitor growth by Australian states and travel purposes.

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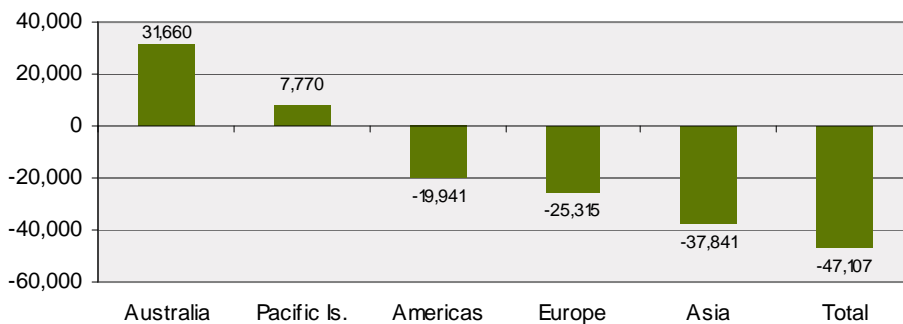
## COMMENTARY

### Australian visitor arrivals defying recession in 2009

The global economic recession has adversely impacted on international visitor arrivals to New Zealand with total arrivals for the first six months of 2009 having decreased by 3.8%.

Most affected have been the long-haul markets: Asia (-16%), Americas (-12%) and Europe (-9%). By contrast, short-haul markets such as Australia (+7%) and the Pacific Islands (+13%) have increased (refer Figure 1).

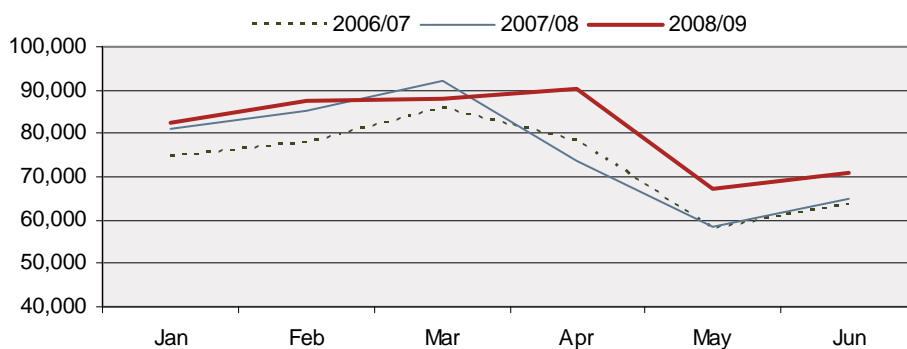
Figure 1: Change in Visitor Arrivals by Market, between Jan-Jun08 and Jan-Jun09



Australian visitor arrivals continue to grow strongly in spite of the current recession.

The majority of Australian visitor growth in the first half of 2009 occurred over the last three months, with a dramatic lift in arrivals in April (+23%), May (+16%) and June (+9%) (refer Figure 2). Part of the strong growth in April was due to different timing of Easter.

Figure 2: Australian Visitor Arrivals by Month, Jan-Jun 2006-2009



Australian visitor arrivals jumped by 16% in the Apr-Jun 2009 period.

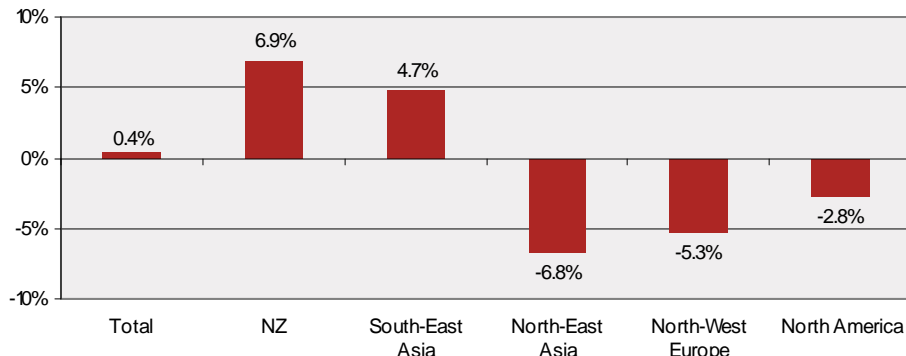
The growth in Australian arrivals over this period has been driven by a number of positive influences that occurred around the same time:

- A competitive trans-Tasman aviation environment with attractive airfares and offers.
- Higher levels of marketing activities in Australia (by Tourism New Zealand, Air New Zealand and a number of operators and regions).
- A favourable ski season with early snow and strong bookings.
- The Australian government stimulus package that provided a windfall for Australian consumers (one-off tax bonus payment to Australian taxpayers and families up to \$900 commencing from March).
- Australian travellers switching towards short-haul travel.

While New Zealand has benefited from this strong Australian growth, the overall Australian outbound performance has been modest (refer Figure 3). Over Jan-May 2009, short-haul destinations like New Zealand and South East Asia (e.g. Indonesia/Bali up 31%) have grown, but clearly at the expense of some long-haul destinations that have generally declined.

# COMMENTARY

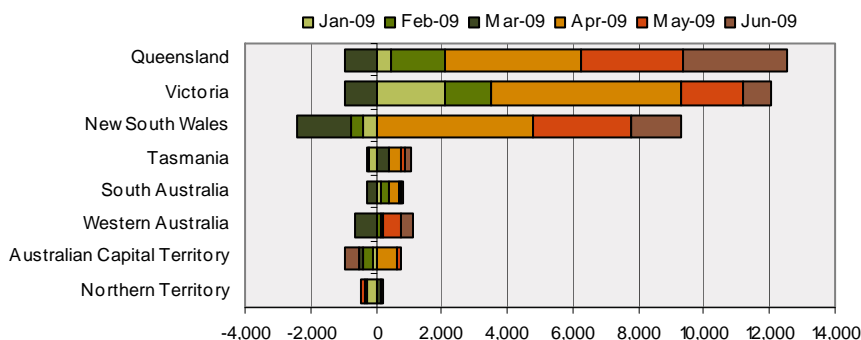
Figure 3: Percentage Change in Australian Outbound Travel by Market, between Jan-May08 and Jan-May09



Australian travellers showed strong preference for short-haul destinations in 2009.

Over the last six months, Queensland contributed the largest growth in Australian visitors, followed by Victoria and New South Wales (refer Figure 4). These three states are the largest sources providing 85% of Australian visitors to New Zealand.

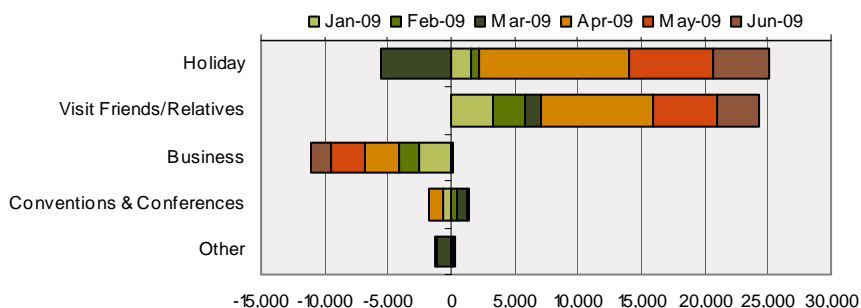
Figure 4: Change in Australian Visitor Arrivals by State of Residence, Jan-Jun 2008-09



Queensland, Victoria and New South Wales contributed over 90% of the growth in Australian visitors over the last six month.

In terms of travel purpose of Australian visitors over the last six months, 40% were on Holiday, 39% Visiting Friends or Relatives (VFR), 14% on Business and 3% attended Conferences and Conventions. VFR arrivals contributed the largest growth, followed by Holiday. Business visitors decreased significantly reflecting the soft economic conditions (refer Figure 5).

Figure 5: Change in Australian Visitor Arrivals by Purpose, Jan-Jun 2008-09



Holiday and VFR travel are the key growth segments of Australian visitors.

The slowdown in tourism caused by the recession and latterly by the Influenza A (H1N1) pandemic will continue to impact on inbound travel to New Zealand over the next 12 months. In this environment, the Australian market will clearly play an important role in offsetting weaknesses in our key long-haul markets.

The Ministry of Tourism's new tourism forecasts for 2009-2015 will be released on 4 August and will provide further information on the outlook for the tourism industry.

# 1. INBOUND TOURISM

**International Visitor Arrivals, June 2009** - In the month of June 2009 there were 135,162 international visitor arrivals, down by 5.1% (7,300) compared to June 2008.

**Markets** – Visitors from Australia (up 6,000 or 9.2%) recorded the largest increase in June 2009. This was followed by New Caledonia (up 280 or 56.7%), Indonesia (up 240 or 47.4%), Malaysia (up 230 or 22.8%) and Canada (up 210 or 13.0%).

In contrast, there were fewer visitors from Japan (down 4,700 or 66.7%), South Korea (down 2,900 or 48.5%), China (down 2,500 or 49.4%), the United Kingdom (down 1,100 or 11.5%), South Africa (down 780 or 43.2%), Taiwan (down 460 or 38.3%), Ireland (down 400 or 27.4%) and the United States (down 270 or 2.1%).

Half of the decrease in Japanese visitors was in the school ages (13-17 years), owing to cancellation of school trips for concern over the influenza A (H1N1) pandemic.

**Purpose** - There were more visiting friends and relatives (up 2,900 or 7.0%) in June 2009 compared to June 2008, while there were fewer visitors on holiday (down 5,200 or 8.7%) and on business (down 3,200 or 15.0%).

**Duration** – In June 2009, the average length of stay of visitors was 18.8 days, 0.5 day shorter than in June 2008. The total number of visitor days decreased by 2.7% (70,500) to 2.53 million.

**Flights** – There were 2,233 flight-arrivals in June 2009, 16 flights or 0.7% less than in June 2008.

**Annual Arrivals** – For the year ended June 2009, there were 2.411 million international visitor arrivals, down by 68,400 or 2.8% on the previous year.

Total visitor days were down by 3.8% to 49.34 million, with the average length of stay down 0.2 day to 20.6 days.

Figure 1a **Growth Rate of International Visitor Arrivals (Month of June 2009)**

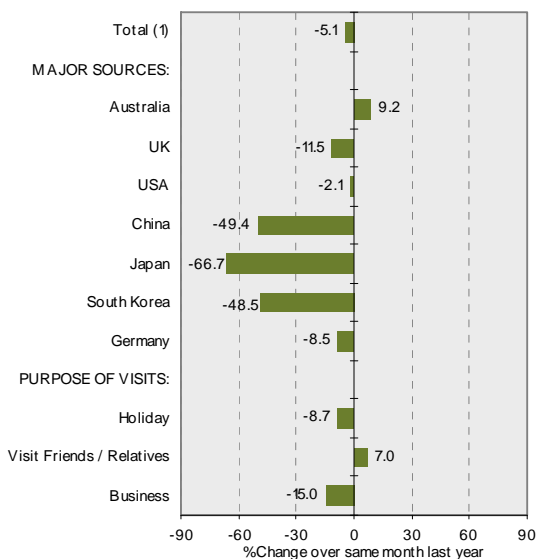
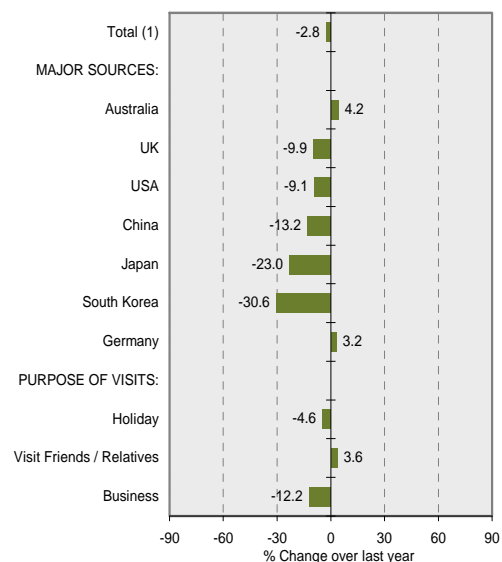


Figure 1b **Growth Rate of International Visitor Arrivals (Year Ended June 2009)**



# 1. INBOUND TOURISM

Table 1a International Visitor Arrivals (Month)

JUNE MONTH	International Visitor Arrivals			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
Total (1)	145,498	142,413	135,162	-2.1	-5.1
<b>MAJOR SOURCES:</b>					
Australia	63,669	64,904	70,884	1.9	9.2
UK	9,576	9,785	8,658	2.2	-11.5
USA	14,402	12,616	12,348	-12.4	-2.1
China	6,650	5,054	2,556	-24.0	-49.4
Japan	7,353	7,030	2,340	-4.4	-66.7
South Korea	7,334	6,042	3,114	-17.6	-48.5
Germany	1,577	1,691	1,548	7.2	-8.5
<b>PURPOSE OF VISITS:</b>					
Holiday	63,213	59,451	54,270	-6.0	-8.7
Visit Friends / Relatives	41,572	42,028	44,964	1.1	7.0
Business	20,539	21,204	18,018	3.2	-15.0
<b>INTERNATIONAL ARRIVAL FLIGHTS:</b>					
Passenger Flights	2,186	2,249	2,233	2.9	-0.7

(1) Totals are actual visitor counts and may differ from sample based data.

Table 1b International Visitor Arrivals (Year)

YEAR ENDED JUNE	International Visitor Arrivals			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
Total (1)	2,457,794	2,479,796	2,411,396	0.9	-2.8
<b>MAJOR SOURCES:</b>					
Australia	919,824	967,618	1,007,860	5.2	4.2
UK	301,599	291,061	262,378	-3.5	-9.9
USA	221,405	216,493	196,787	-2.2	-9.1
China	116,601	123,828	107,541	6.2	-13.2
Japan	127,652	114,930	88,474	-10.0	-23.0
South Korea	111,979	88,905	61,733	-20.6	-30.6
Germany	59,080	60,878	62,837	3.0	3.2
<b>PURPOSE OF VISITS:</b>					
Holiday	1,213,288	1,209,241	1,153,702	-0.3	-4.6
Visit Friends / Relatives	702,744	729,775	756,089	3.8	3.6
Business	271,435	266,917	234,410	-1.7	-12.2
<b>INTERNATIONAL ARRIVAL FLIGHTS:</b>					
Passenger Flights	28,290	28,091	28,860	-0.7	2.7

(1) Totals are actual visitor counts and may differ from sample based data.

## 2. OUTBOUND TOURISM

**Departures, June 2009** - In the month of June 2009, New Zealand residents undertook 176,300 short-term overseas trips, down by 9,700 or 5.2% compared to June 2008.

**Destinations** - There were more trips to South Africa (up 430 or 62.6%), the Cook Islands (up 420 or 7.4%), Japan (up 400 or 28.6%), India (up 370 or 34.3%) and Thailand (up 270 or 9.0%).

In contrast, there were fewer trips to Australia (down 5,400 or 6.8%), the United Kingdom (down 1,900 or 13.6%), Fiji (down 1,100 or 9.5%), Italy (down 780 or 42.6%), the United States (down 640 or 6.3%) and Hong Kong (down 290 or 18.6%).

**Purpose** – There were more New Zealanders visiting friends and relatives (up 2,300 or 3.9%) in June 2009 compared to June 2008, while there were fewer New Zealanders on holiday (down 8,900 or 10.9%) and on business (down 1,400 or 5.8%).

**Duration** - The average length of trips in June 2009 was 21.2 days, 0.4 day shorter than in June 2008.

**Annual Departures** – There were 1.920 million trips undertaken in the year ended June 2009, down by 57,500 or 2.9% on the previous year.

Figure 2a **Growth Rate of Trips Abroad by NZ Residents (Month of June 2009)**

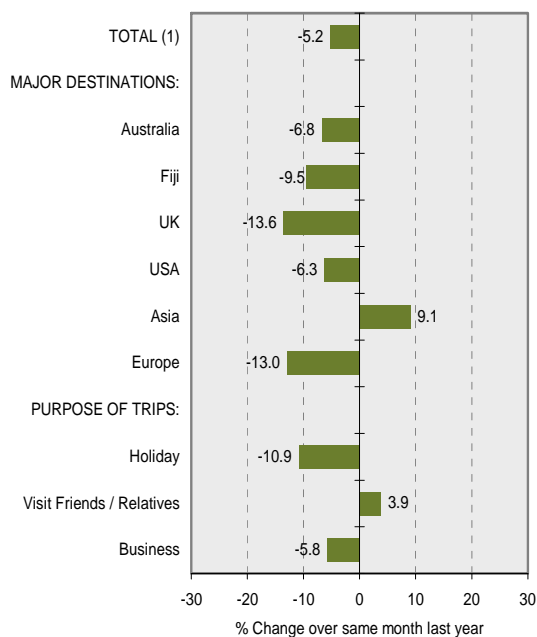
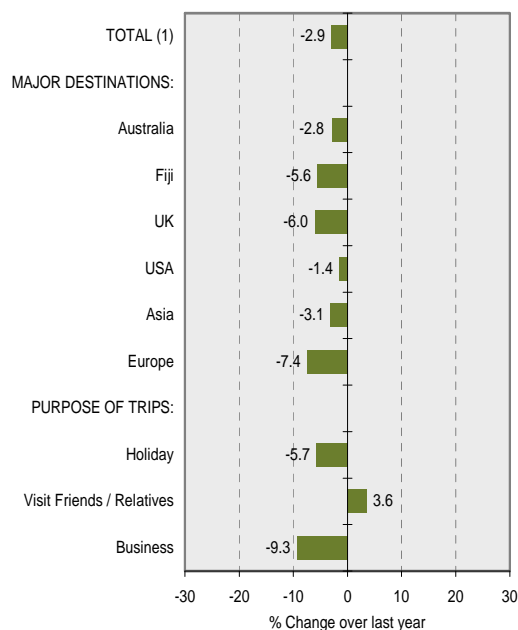


Figure 2b **Growth Rate of Trips Abroad by NZ Residents (Year Ended June 2009)**



## 2. OUTBOUND TOURISM

Table 2a Trips Abroad by NZ Residents (Month)

JUNE MONTH	Trips Abroad by NZ Residents			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL (1)	208,309	186,038	176,313	-10.7	-5.2
<b>MAJOR DESTINATIONS:</b>					
Australia	92,322	79,465	74,096	-13.9	-6.8
Fiji	11,063	11,132	10,076	0.6	-9.5
UK	15,617	14,053	12,144	-10.0	-13.6
USA	10,626	10,258	9,614	-3.5	-6.3
Asia	22,471	19,780	21,582	-12.0	9.1
Europe	28,773	26,059	22,682	-9.4	-13.0
<b>PURPOSE OF TRIPS:</b>					
Holiday	92,667	81,673	72,798	-11.9	-10.9
Visit Friends / Relatives	63,089	58,765	61,028	-6.9	3.9
Business	26,956	25,047	23,606	-7.1	-5.8

(1) Totals are actual visitor counts and may differ from sample based data.

Table 2b Trips Abroad by NZ Residents (Year)

YEAR ENDED JUNE	Trips Abroad by NZ Residents			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL (1)	1,924,064	1,977,305	1,919,788	2.8	-2.9
<b>MAJOR DESTINATIONS:</b>					
Australia	958,671	963,561	936,856	0.5	-2.8
Fiji	103,798	96,484	91,121	-7.0	-5.6
UK	91,662	94,587	88,867	3.2	-6.0
USA	87,906	92,461	91,126	5.2	-1.4
Asia	241,655	256,704	248,643	6.2	-3.1
Europe	166,492	173,399	160,554	4.1	-7.4
<b>PURPOSE OF TRIPS:</b>					
Holiday	812,183	830,016	782,747	2.2	-5.7
Visit Friends / Relatives	595,938	625,319	647,619	4.9	3.6
Business	288,547	288,583	261,623	0.0	-9.3

(1) Totals are actual visitor counts and may differ from sample based data.

### 3. COMMERCIAL ACCOMMODATION

**Guest Nights, May 2009** - In the month of May 2009, a total of 2,019,539 guest nights were spent in commercial accommodation, a decrease of 13,100 nights (or -0.6%) from May 2008.

The South Island recorded an increase (up 14,000 or 1.8%) in guest nights while the North Island recorded a decrease (down 27,000 or 2.2%) in guest nights in May 2009.

**International and Domestic** - In May 2009, guest nights comprised 62.8% domestic guests (1.27 million) and 37.2% international guests (751,200). Domestic guest nights decreased by 0.5% (6,400) while international guest nights decreased by 0.9% (6,600).

**Accommodation Types** – Two of the five accommodation types recorded an increase in guest nights in May 2009.

Both caravan parks/campgrounds (up 13,000 or 5.2%) and backpackers (up 2,600 or 0.8%) recorded increases in guest nights.

Hotels recorded the largest decrease (down 18,000 or 2.4%), followed by motels (down 8,000 or 1.2%) and hosted (down 2,700 or 11.2%).

**Occupancy** - The overall occupancy rate of accommodation establishments in May 2009 was 29.7%, down 0.8 percentage point compared to 30.5% in May 2008.

Caravan parks/camp grounds (9.0%, up 0.6 point) and backpackers (37.3%, up 0.2 point) recorded increases in occupancy.

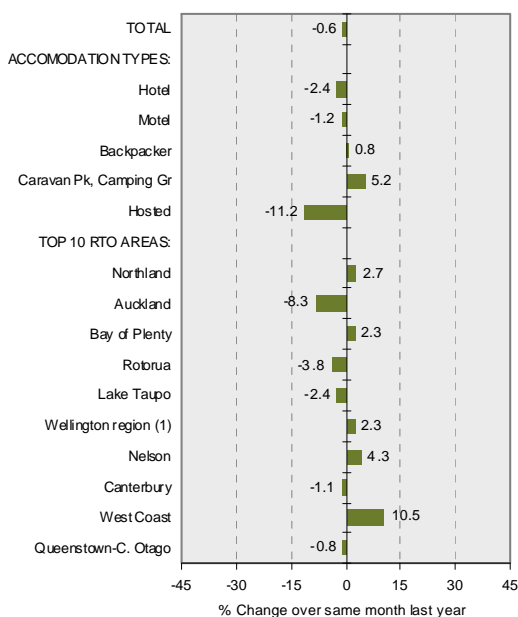
Hotels recorded the largest decrease in occupancy (46.4%, down 2.5 points), followed by motels (40.6%, down 2.3 points) and hosted accommodation (13.4%, down 0.7 point).

**RTOs** - In May 2009 West Coast recorded the largest increase (up 7,200 or 10.5%) in guest nights from May 2008. This was followed by Mackenzie/Timaru (up 5,200 or 14.4%), Wellington (up 4,500 or 2.3%), Eastland (up 4,000 or 19.7%), Ruapehu (up 3,600 or 25.9%), Dunedin/Clutha (up 3,000 or 4.4%), Nelson (up 2,600 or 4.3%), Palmerston North (up 2,500 or 7.9%), Northland (2,400 or 2.7%) and Waitaki (up 2,400 or 15.4%).

Auckland recorded the largest decrease (down 35,000 or 8.3%), followed by Rotorua (down 4,600 or 3.8%), Waikato (down 4,000 or 5.2%) and Canterbury (down 3,000 or 1.1%).

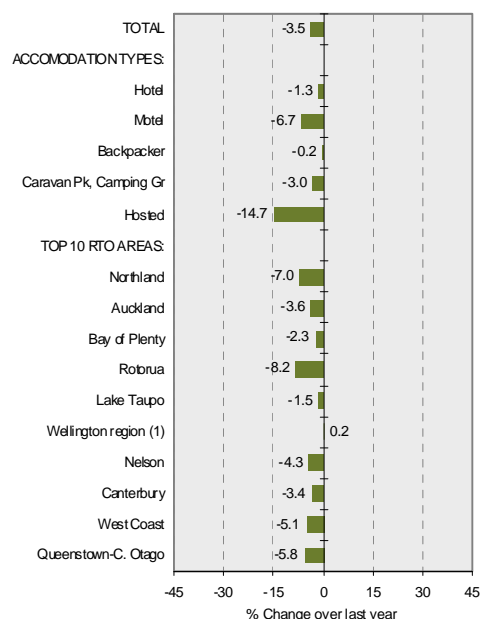
**Annual** - For the year ended May 2009, there was a total demand of 32.19 million guest nights, down by 1.17 million or 3.5% on the previous year.

Figure 3a **Growth Rate of Guest Nights (Month of May 2009)**



(1) Includes Wellington, Porirua, L & U Hutt cities and Kapiti district.

Figure 3b **Growth Rate of Guest Nights (Year Ended May 2009)**



(1) Includes Wellington, Porirua, L & U Hutt cities and Kapiti district.

### 3. COMMERCIAL ACCOMMODATION

Table 3a **Guest Nights (Month)**

MAY MONTH	Guest Nights			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
<b>TOTAL</b>	1,941,563	2,032,596	2,019,539	4.7	-0.6
<b>ACCOMODATION TYPES :</b>					
Hotel	681,658	748,791	730,827	9.8	-2.4
Motel	682,456	684,520	676,542	0.3	-1.2
Backpacker	293,882	323,460	326,071	10.1	0.8
Caravan Pk, Camping Gr	261,022	251,715	264,697	-3.6	5.2
Hosted	22,545	24,109	21,402	6.9	-11.2
<b>TOP 10 RTO AREAS :</b>					
Northland	90,483	89,756	92,178	-0.8	2.7
Auckland	380,580	420,489	385,513	10.5	-8.3
Bay of Plenty	72,284	70,640	72,230	-2.3	2.3
Rotorua	118,658	120,801	116,206	1.8	-3.8
Lake Taupo	56,874	59,461	58,040	4.5	-2.4
Wellington region (1)	169,134	190,858	195,310	12.8	2.3
Nelson	61,888	60,105	62,678	-2.9	4.3
Canterbury	259,918	275,682	272,637	6.1	-1.1
West Coast	68,375	68,703	75,898	0.5	10.5
Queenstown-C. Otago	158,309	160,173	158,878	1.2	-0.8

(1) Wellington region includes - Wellington, Porirua, Kapiti, L & U Hutt.

Table 3b **Guest Nights (Year)**

YEAR ENDED MAY	Guest Nights			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
<b>TOTAL</b>	32,418,064	33,351,451	32,185,116	2.9	-3.5
<b>ACCOMODATION TYPES :</b>					
Hotel	10,181,683	10,598,949	10,459,558	4.1	-1.3
Motel	10,886,438	10,998,460	10,265,568	1.0	-6.7
Backpacker	4,414,990	4,579,822	4,570,458	3.7	-0.2
Caravan Pk, Camping Gr	6,349,349	6,592,451	6,393,284	3.8	-3.0
Hosted	585,604	581,769	496,248	-0.7	-14.7
<b>TOP 10 RTO AREAS :</b>					
Northland	1,789,035	1,761,635	1,638,929	-1.5	-7.0
Auckland	5,418,904	5,756,967	5,550,582	6.2	-3.6
Bay of Plenty	1,264,627	1,270,694	1,241,612	0.5	-2.3
Rotorua	1,871,360	1,895,060	1,739,060	1.3	-8.2
Lake Taupo	1,052,907	999,853	985,152	-5.0	-1.5
Wellington region (1)	2,328,436	2,454,009	2,458,893	5.4	0.2
Nelson	1,241,962	1,293,405	1,237,221	4.1	-4.3
Canterbury	4,252,374	4,510,804	4,355,826	6.1	-3.4
West Coast	1,276,361	1,303,064	1,236,267	2.1	-5.1
Queenstown-C. Otago	3,205,008	3,332,260	3,140,132	4.0	-5.8

(1) Wellington region includes - Wellington, Porirua, Kapiti, L & U Hutt.

## 4. INTERNATIONAL VISITOR EXPENDITURE

**Expenditure, Year ended March 2009** - International visitors spent a total of \$6,123 million in New Zealand for the year ended March 2009 (excluding international airfares). This is a decrease of 0.1% (\$5 million) on the previous year.

**Markets** – The Japanese market recorded the largest increase, up by \$52 million or 12.3%, followed by Canada (up \$39 million or 31.8%), Germany (up \$34 million or 13.9%), China (up \$32 million or 11.6%) and Singapore (up \$2 million or 3.5%).

In contrast, the expenditure by Australia (down \$69 million or 4.1%), South Korea (down \$41 million or 16.6%), the United Kingdom (down \$36 million or 3.8%), Taiwan (down \$25 million or 37.0%) and the United States (down \$14 million or 2.2%) markets were lower than the previous March year.

**Average Spend** - The average spend per visitor was \$2,798 up 3.1% on the previous year.

Figure 4 International Visitor Expenditure Growth Rate (Year Ended March 2009)

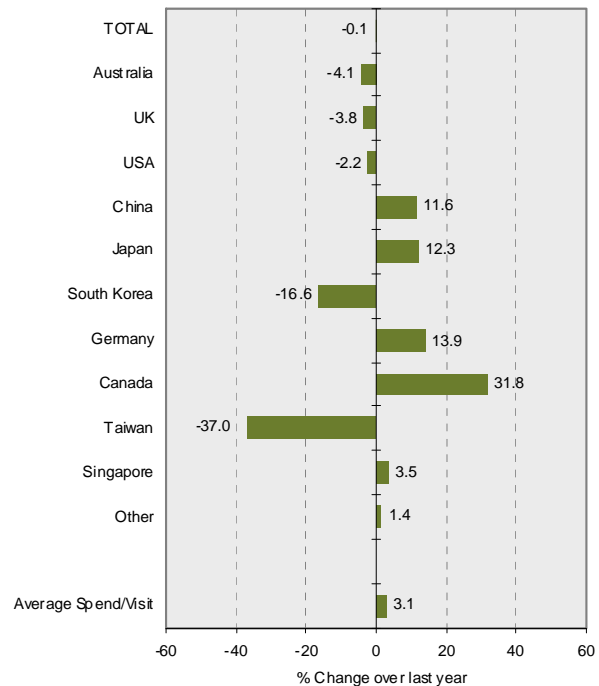


Table 4 International Visitor Expenditure (Year)

YEAR ENDED MARCH	NZ\$million <sup>(1)</sup>			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL	5,957	6,128	6,123	2.9	-0.1
Australia	1,437	1,685	1,616	17.2	-4.1
UK	890	951	916	6.9	-3.8
USA	698	625	612	-10.5	-2.2
China	278	276	308	-0.9	11.6
Japan	397	419	471	5.5	12.3
South Korea	247	249	207	0.9	-16.6
Germany	269	243	277	-9.4	13.9
Canada	110	124	164	12.6	31.8
Taiwan	93	68	43	-27.1	-37.0
Singapore	62	62	64	-0.2	3.5
Other	1,475	1,425	1,446	-3.4	1.4
Average Spend/Visit	2,679	2,714	2,798	1.3	3.1

<sup>(1)</sup> Expenditure refers to spend by travellers aged 15+, and excludes international airfares.

## 5. DOMESTIC TOURISM

**Overnight Trips, Year ended December 2008** - For the year ended December 2008, the number of overnight trips increased by 1.1% (168,000) to 15.1 million trips, while the number of visitor nights increased by 0.4% (or 193,000) to 44.5 million. On average, overnight visitors stayed 3.0 nights away from home.

**Day Trips** - The number of day trips increased by 3.6% (or 990,000) to 28.3 million for the year ended December 2008.

**Expenditure** - Overall, domestic tourism expenditure increased by 6.2% (or \$471 million) to \$8.06 billion for the year ended December 2008. Overnight trip expenditure was up 2.0% (or \$100 million) to \$5.14 billion while day trip expenditure was up 14.5% (or \$371 million) to \$2.92 billion.

- Average spend per day trip \$103
- Average spend per overnight trip \$341
- Average spend per night \$116

Figure 5 Domestic Tourism Growth Rate (Year Ended December 2008)

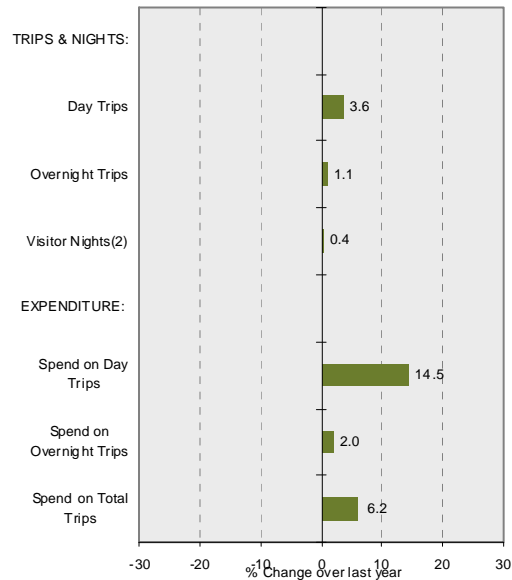


Table 5 Domestic Tourism (Year)

YEAR ENDED DECEMBER	Domestic Travel <sup>(1)</sup>			Growth Rate (%)	
	2006	2007	2008	06-07	07-08
<b>TRIPS &amp; NIGHTS:</b>					
	(000)				
Day Trips	29,471	27,333	28,322	-7.3	3.6
Overnight Trips	14,739	14,896	15,064	1.1	1.1
Visitor Nights <sup>(2)</sup>	43,971	44,352	44,545	0.9	0.4
<b>EXPENDITURE:</b>					
	(\$million)				
Spend on Day Trips	2,626	2,550	2,920	-2.9	14.5
Spend on Overnight Trips	4,843	5,038	5,138	4.0	2.0
Spend on Total Trips	7,468	7,587	8,058	1.6	6.2

(1) Refer to travellers aged 15+. (2) Include stays in commercial and private accommodation.

## 6. TOURISM SATELLITE ACCOUNT

The Tourism Satellite Account provides key measures of tourism's contribution to the New Zealand economy.

**Tourism Expenditure, Year ended March 2007** - Total tourism expenditure for the year to March 2007 was \$20.1 billion, up by 4.7% (or \$896 million) on the previous year. This was driven by a 4.9% (\$527m) increase in domestic visitor spend and by a 4.4% (\$370m) increase in international visitor spend.

**Tourism Contribution to GDP** - Tourism's direct and indirect value-added contribution to the economy was \$14.1 billion (excluding GST, import duties and other taxes on production), which represents 9.2 % of the total New Zealand GDP.

**Domestic and International Segments** - Domestic tourists spent \$11.3 billion and international tourists spent \$8.8 billion. This represents a 56% domestic and 44% international contribution to total expenditure. Domestic travel activity includes both household travel of \$8.7 billion, and business and government travel of \$2.6 billion.

**Tourism Export Earnings** - International tourist expenditure in 2007 (\$8.8 billion) represents 18.3% of the total export earnings (\$48.2 billion). Tourism remains as New Zealand's largest export earner, ahead of key export product groups such as dairy (\$7.3b or 15.2% of exports).

**Tourism Employment** - Tourism is estimated to support directly and indirectly 181,000 full-time equivalent jobs, or 9.7% (one in ten) of the total New Zealand workforce in 2007.

**Tourism Contribution to GST** - Tourists contributed \$1.49 billion in GST payments in 2007, or 11.3% of total GST on production received by Government.

Note: The report *Tourism Satellite Account 2007* which contains more detailed data is available on the Ministry of Tourism research website: <http://www.tourismresearch.govt.nz/tsa>, and Statistics NZ website: [www.stats.govt.nz](http://www.stats.govt.nz).

Table 6 Tourism Satellite Account, 2005-2007

YEAR ENDED MARCH				Growth Rate (%)	
	2005	2006	2007	05-06	06-07
<b>Tourism Expenditure (\$million)</b>	18,400	19,188	20,084	4.3	4.7
Direct Tourism Value Added	7,095	7,463	7,871	5.2	5.5
Indirect Tourism Value Added	5,764	5,959	6,208	3.4	4.2
Imports (sold/used in production sold to tourists)	4,172	4,339	4,519	4.0	4.1
GST Paid on Purchases by Tourists	1,369	1,426	1,486	4.2	4.2
International Tourism Expenditure(1)	8,139	8,428	8,798	3.6	4.4
Domestic Tourism Expenditure	10,261	10,759	11,286	4.9	4.9
<b>Persons Engaged in Tourism (full-time equivalent, 000)</b>	173	179	181	3.1	1.4
Directly Engaged in Tourism	104	106	108	1.7	1.9
Indirectly Engaged in Tourism	69	73	73	5.2	0.7
<b>Tourism Contributions to NZ Economy (Percent)</b>					
Tourism Direct & Indirect Value Added Expenditure (% of GDP)	9.3	9.2	9.2	..	..
Tourism Direct & Indirect Employment (% of Total FTE Employment)	9.6	9.7	9.7	..	..
Tourism GST (% of Total GST on production)	12.3	12.0	11.3	..	..
Tourism Export Earning (% of Total Export)	18.8	19.2	18.3	..	..

(1) Includes international airfares.

## 7. TOURISM FORECASTS

**Tourism forecasts, 2008-2014** - The latest Ministry of Tourism forecasts provide a set of expectations on the future tourism demand in New Zealand. The forecasts are intended to assist the tourism sector decision-making and planning.

Over the next seven years, 2008-2014, New Zealand tourism is forecast to continue to grow with international tourism growing faster than domestic tourism.

The forecasts indicate that the long term prospects for tourism remain positive.

**International visitor arrivals** - are forecast to increase from 2.46 million in 2007 to 3.08 million in 2014. This represents a growth of 26% (or 628,000 visitors). The average annual growth rate is 3.3%.

This is a lower growth expectation than in previous series at 4.0% per annum (3.17 million in 2013). This assessment is influenced by a number of factors - including expected global economic growth to be slower, rising airfares (due to soaring fuel prices), higher inflation (driven primarily by rising food, transport and housing costs) and the persistent high New Zealand dollar.

The forecasts for the next two years are for more modest growth of 1.2% (2008) and 2.4% (2009), but are more positive in the longer term, particularly in the Rugby World Cup year with an expected 5.5% growth in 2011.

Almost 80% (498,000) of the forecast increase in visitors will come from the six markets - the largest contribution is expected to come from Australia (up 298,000 or 31%), followed by China (up 96,000 or 80%), UK (up 45,000 or 16%), US (up 21,000 or 10%), Canada (up 19,000 or 40%) and India (up 18,000 or 83%).

The Japan and South Korea markets are expected to decrease by 10% (12,000) and 8% (8,000) respectively.

Visitor numbers from our largest market, Australia, are expected to reach one million in 2009, up from 950,000 in 2007.

**Domestic trips** - are forecast to increase from 49.5 million in 2007 to 52.7 million, up by 3.2 million or 6.4%, averaging 0.9% per annum. The growth will be driven by an additional 0.6 million overnight trips (up 3.5%) and 2.5 million day trips (up 8.0%).

**Visitor nights** - are forecast to increase from 99 million in 2007 to 114 million in 2014, up by 15 million or 15.3%, averaging 2.1% per annum. The growth will be driven by an additional 12.8 million international visitor nights (up from 47.2 to 60.0 million) and 2.4 million domestic visitor nights (up from 52.1 to 54.5 million).

**Outbound travel by New Zealand residents** - is forecast to increase from 1.98 million in 2007 to 2.30 million in 2014, an increase of 326,000 or 16.5%, averaging 2.2% per annum.

**Visitor spend** - is forecast to increase from \$13.7b in 2007 to \$19.0b in 2014, up by \$5.3b or 38.7%, averaging 4.8% per annum. The growth will be driven by an additional \$3.4b from international visitor spend (up from \$6.1b to \$9.6b) and \$1.9b from domestic visitor spend (up from \$7.6b to \$9.5b). By 2014 international tourism is expected to eclipse domestic tourism.

(Further details of these forecasts are available in the tourism forecast report as well as in electronic Excel *pivot tables*, which can be downloaded at [www.tourismresearch.govt.nz/forecasts](http://www.tourismresearch.govt.nz/forecasts) )

(Note: New forecast series (2008-base) will be released 4 August 2009.)

Table 7 **Tourism Forecasts, 2008-2014**

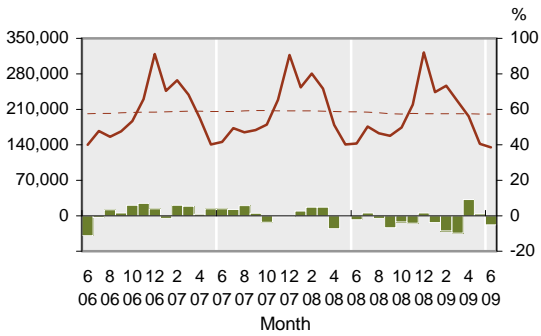
YEAR ENDED DECEMBER	Actual			Forecast					Growth 2008-2014		
	2007(1)	2008	2009	2010	2011	2012	2013	2014	Change	Total	Annual
<b>International Visitors (000)</b>	<b>2,455</b>	<b>2,485</b>	<b>2,546</b>	<b>2,633</b>	<b>2,778</b>	<b>2,854</b>	<b>2,966</b>	<b>3,083</b>	628	25.6%	3.3%
<b>Domestic Total Trips (000)(2)</b>	<b>49,492</b>	<b>50,489</b>	<b>51,154</b>	<b>51,567</b>	<b>51,901</b>	<b>52,161</b>	<b>52,411</b>	<b>52,656</b>	3,164	6.4%	0.9%
Overnight Trips	17,740	17,818	18,198	18,327	18,382	18,383	18,373	18,358	617	3.5%	0.5%
Day Trips	31,752	32,671	32,956	33,240	33,519	33,779	34,038	34,298	2,547	8.0%	1.1%
<b>Visitor Nights (000)</b>	<b>99,294</b>	<b>102,040</b>	<b>104,176</b>	<b>106,083</b>	<b>108,972</b>	<b>110,220</b>	<b>112,301</b>	<b>114,466</b>	15,172	15.3%	2.1%
International	47,189	49,175	50,171	51,697	54,429	55,678	57,793	60,006	12,817	27.2%	3.5%
Domestic	52,105	52,865	54,005	54,387	54,543	54,543	54,509	54,460	2,355	4.5%	0.6%
<b>Visitor Spend (\$million)</b>	<b>13,734</b>	<b>14,484</b>	<b>15,239</b>	<b>15,940</b>	<b>16,832</b>	<b>17,438</b>	<b>18,223</b>	<b>19,048</b>	5,314	38.7%	4.8%
International (3)	6,147	6,560	6,981	7,418	8,065	8,438	8,988	9,574	3,427	55.8%	6.5%
Domestic	7,587	7,924	8,257	8,521	8,767	9,001	9,235	9,474	1,887	24.9%	3.2%
<b>NZ Outbound Trips (000)</b>	<b>1,978</b>	<b>1,990</b>	<b>1,992</b>	<b>2,036</b>	<b>2,093</b>	<b>2,159</b>	<b>2,230</b>	<b>2,304</b>	326	16.5%	2.2%

(1) Actual for base year. (2) Domestic visitors refer to all ages as in international visitors. (3) Refers to spend in NZ, including GST but exclude international airfares.

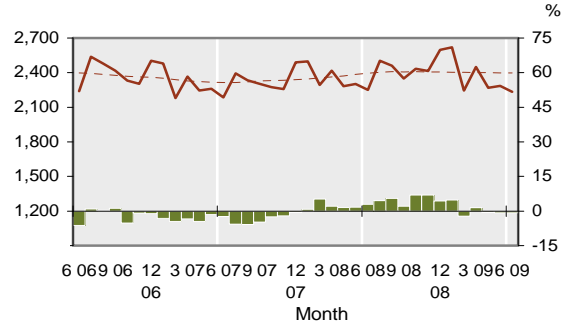
# TRENDS AND PATTERNS

## 1. Inbound Tourism

### 1.1 International Visitor Arrivals

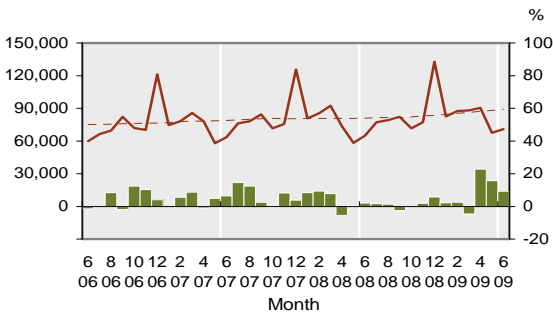


### 1.2 International Passenger Arrival Flights

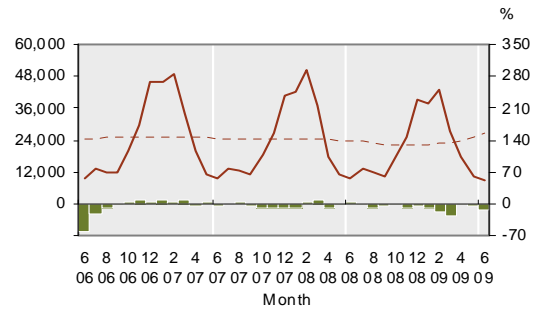


## Major Sources

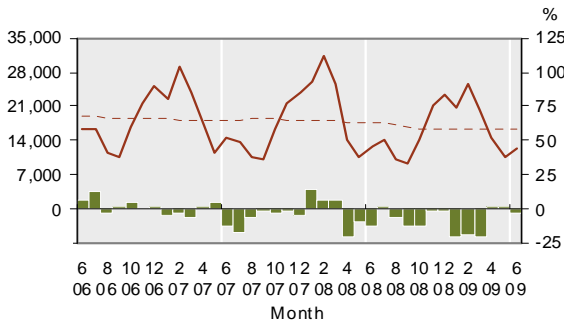
### 1.3 Visitors from - Australia



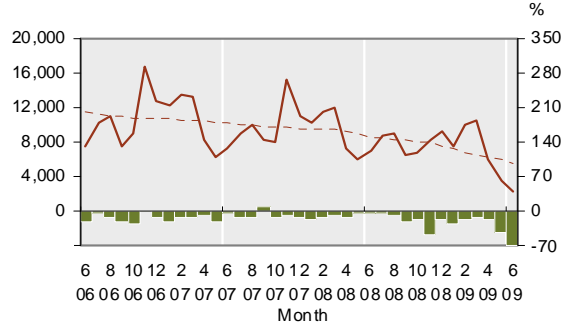
### 1.4 Visitors from - UK



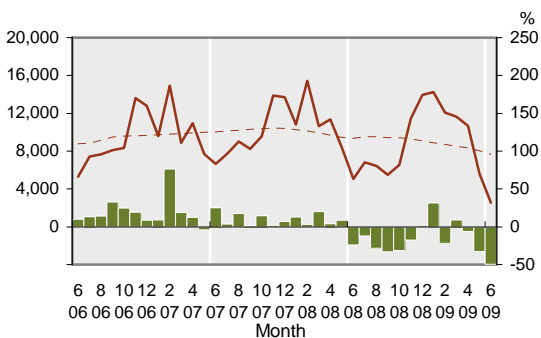
### 1.5 Visitors from - USA



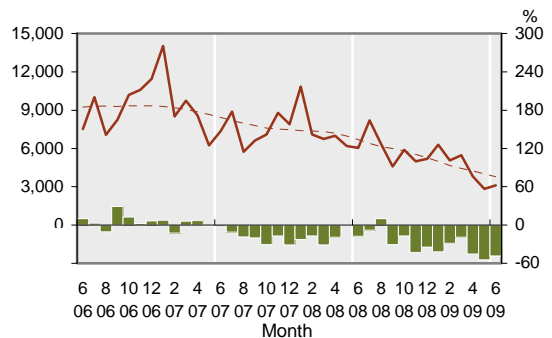
### 1.6 Visitors from - Japan



### 1.7 Visitors from - China



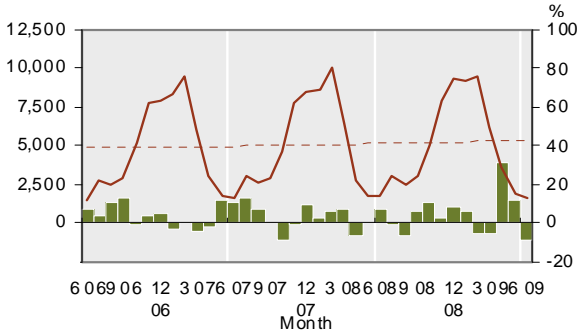
### 1.8 Visitors from - South Korea



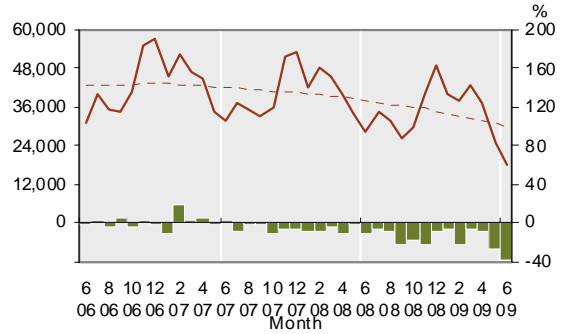
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 Dotted line (brown) – trend line.  
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

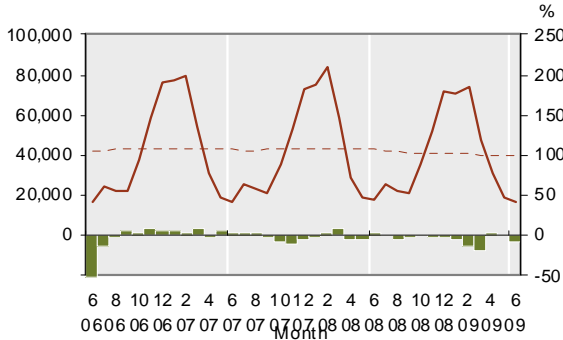
1.9 Visitors from - Germany



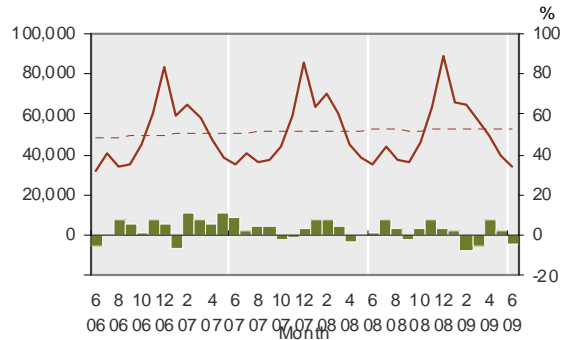
1.10 Visitors from - Asia



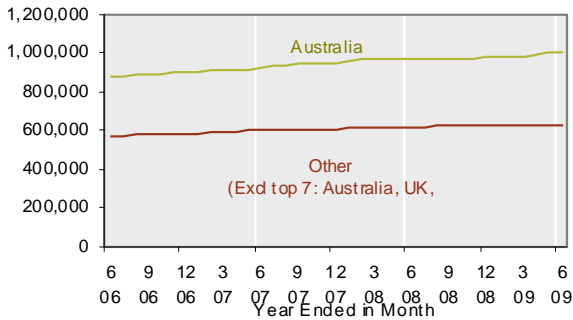
1.11 Visitors from - Europe



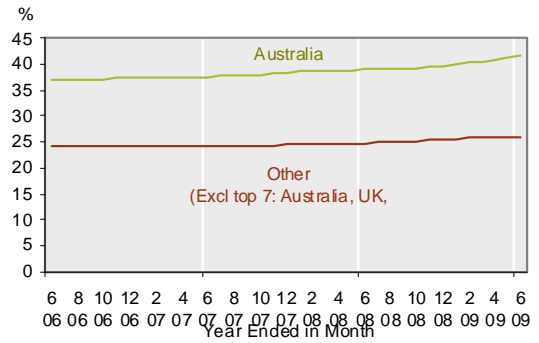
1.12 Visitors from - Other



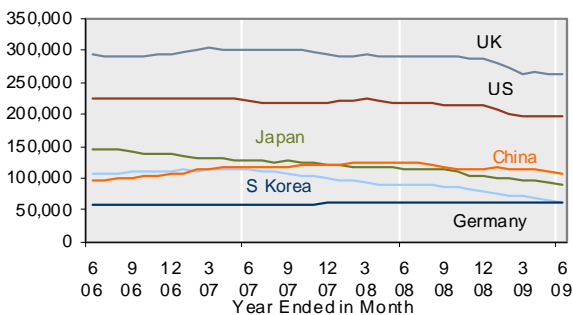
1.13 Visitors by Major Source



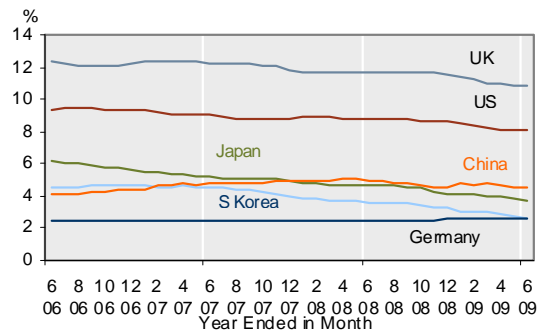
1.14 Share of Total International Visitors (%)



1.15 Visitors by Major Source



1.16 Share of Visitors by Major Source (%)

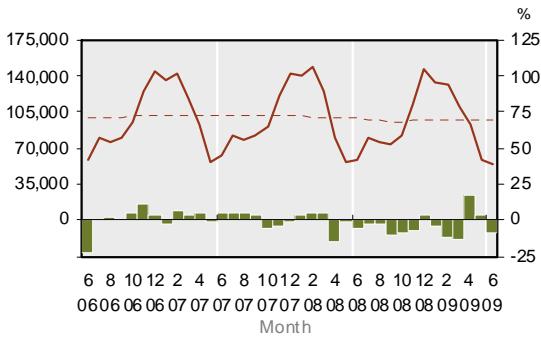


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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

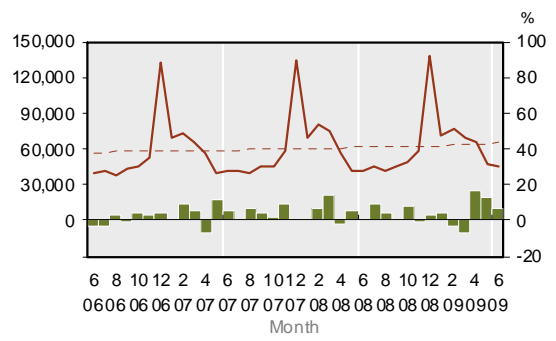
# TRENDS AND PATTERNS

## Purpose of Visits

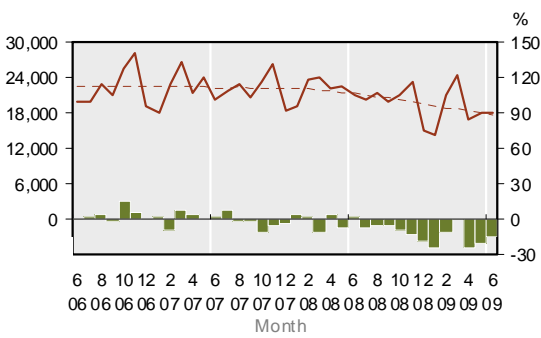
1.17 International Visitors - Holiday



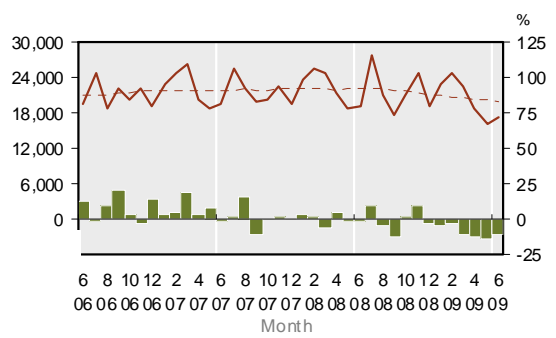
1.18 International Visitors - VFR



1.19 International Visitors - Business



1.20 International Visitors - Other

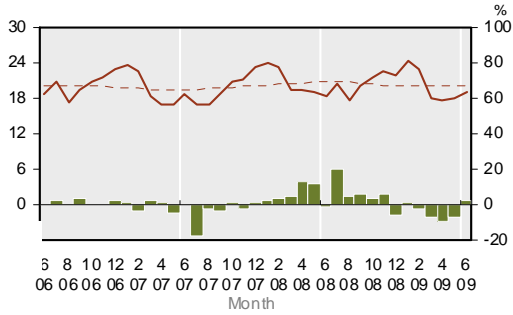


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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

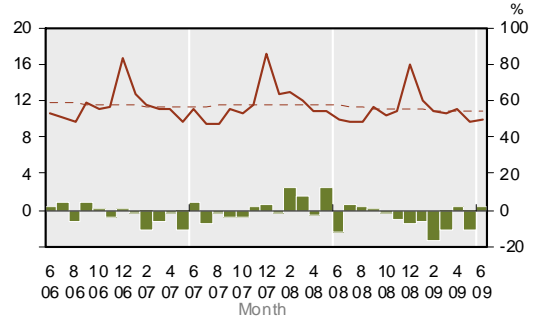
# TRENDS AND PATTERNS

## Length of Stay (Note: Figures based on intended length of stay in NZ)

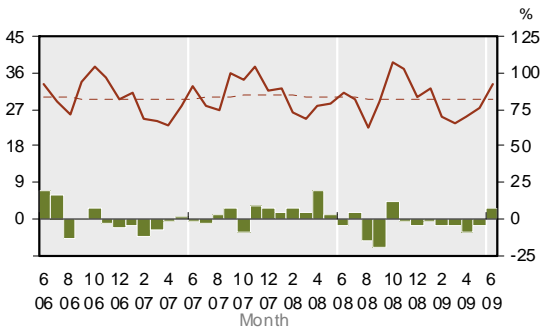
1.21 Average Days of Stay by Visitors



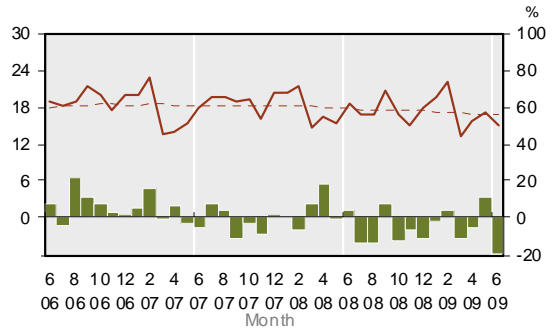
1.22 Average Days Stayed - Australian Visitors



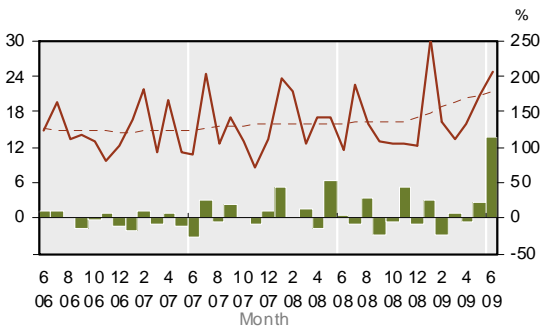
1.23 Average Days Stayed - UK Visitors



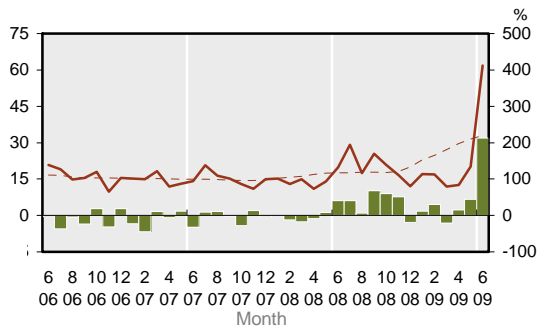
1.24 Average Days Stayed - US Visitors



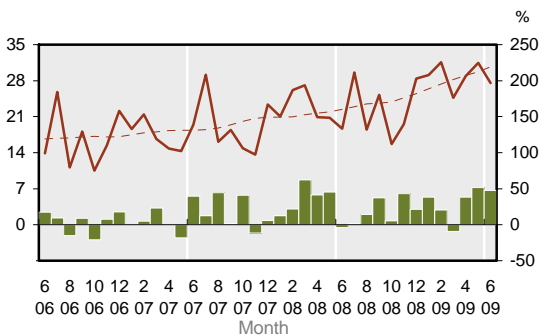
1.25 Average Days Stayed - Japanese Visitors



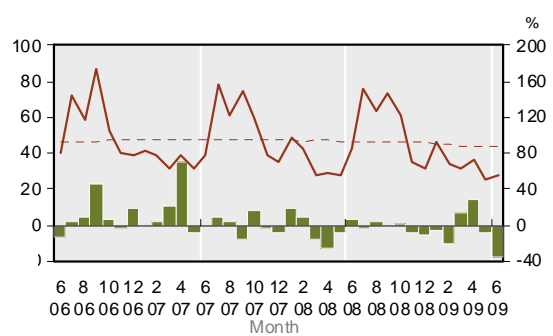
1.26 Average Days Stayed - Chinese Visitors



1.27 Average Days Stayed - S Korea Visitors



1.28 Average Days Stayed - German Visitors



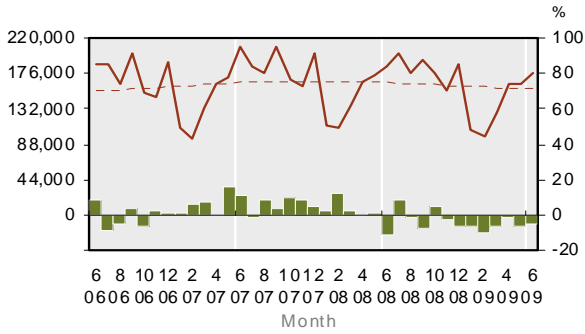
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# TRENDS AND PATTERNS

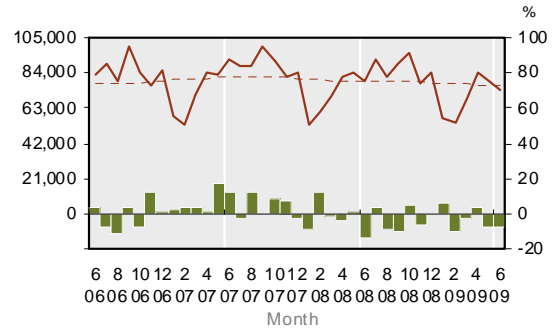
## 2. Outbound Tourism

### Major Destinations

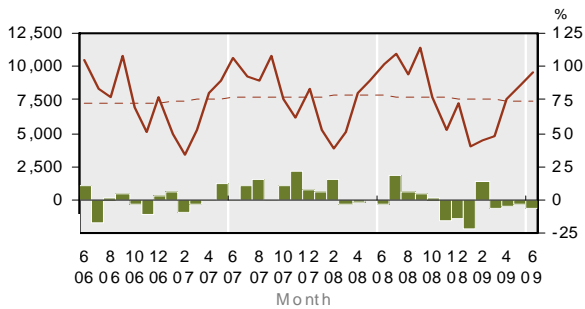
2.1 NZer Trips Abroad



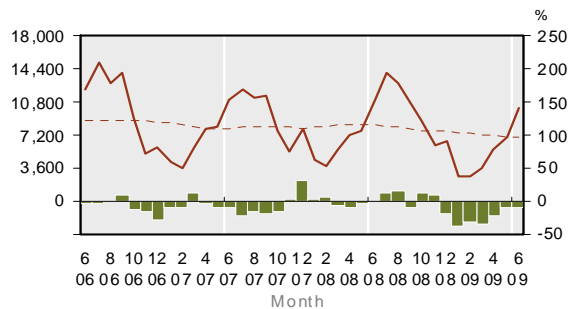
2.2 NZer Trips to - Australia



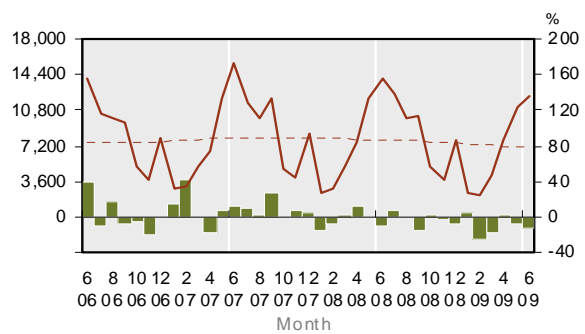
2.3 NZer Trips to - USA



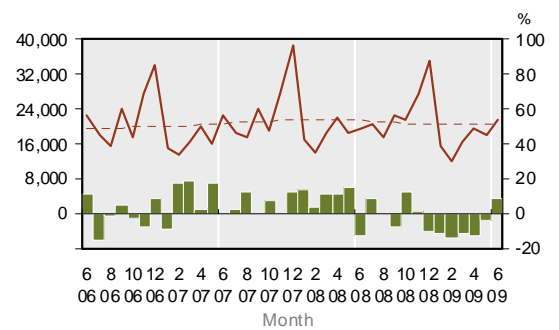
2.4 NZer Trips to - Fiji



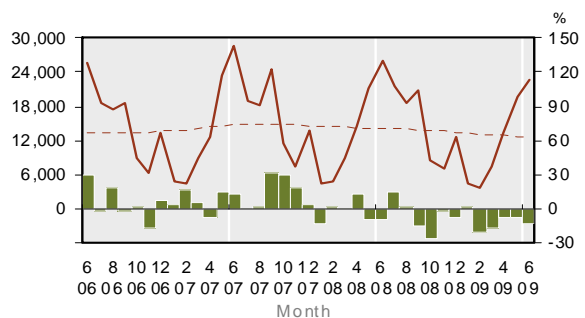
2.5 NZer Trips to - UK



2.6 NZer Trips to - Asia



2.7 NZer Trips to - Europe

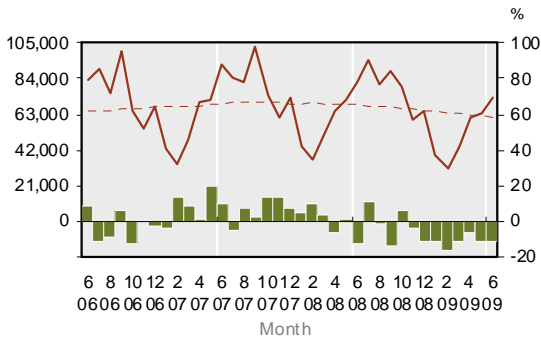


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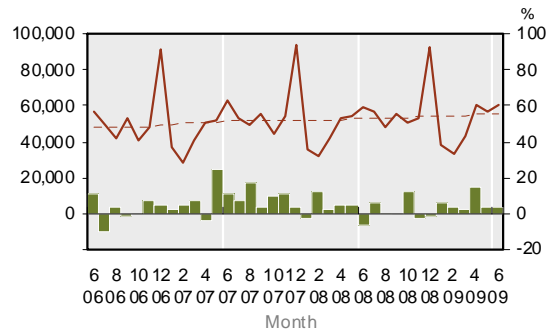
# TRENDS AND PATTERNS

## Purpose of Trips Abroad

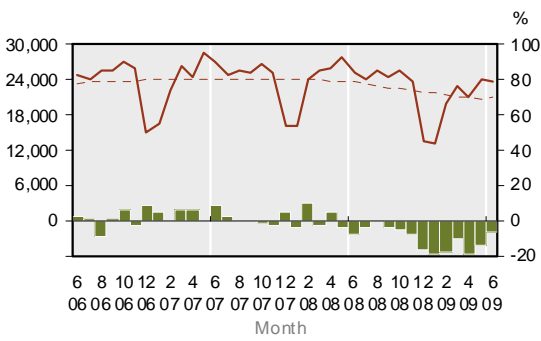
2.8 NZer Trips Abroad - Holiday



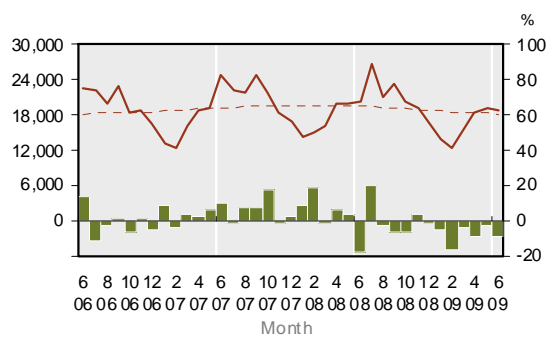
2.9 NZer Trips Abroad - VFR



2.10 NZer Trips Abroad - Business



2.11 NZer Trips Abroad - Other



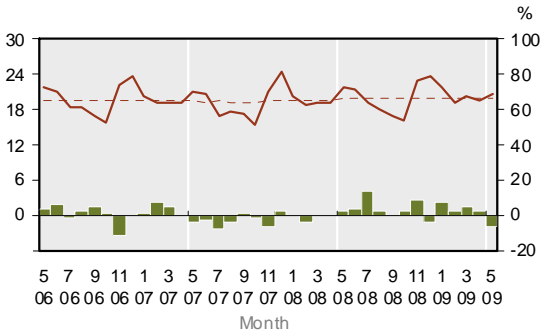
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

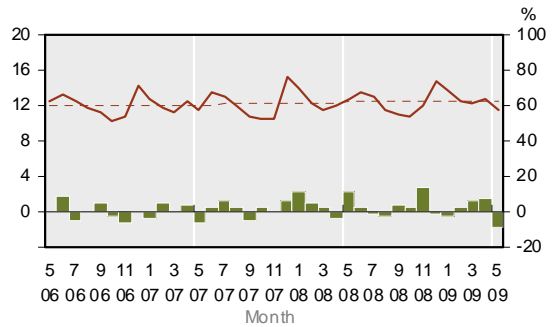
## Length of Trips Abroad

Note: Figures are based on intended length of short-term departure trips by New Zealand residents. The average days abroad refer to period of absence from New Zealand but not necessarily all spent in one country. The country referred is the main destination where they spent most time in.

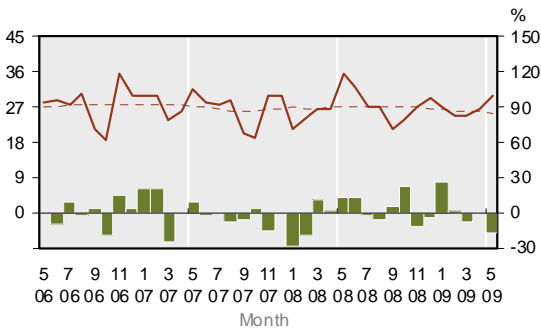
2.12 Average Days Abroad



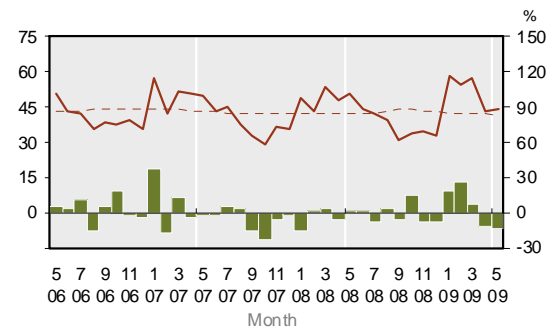
2.13 NZers Average Days Abroad - Australia



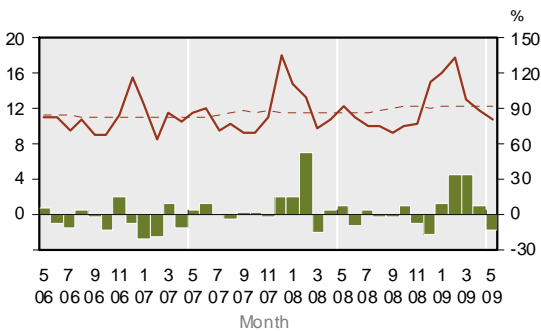
2.14 NZers Average Days Abroad - US



2.15 NZers Average Days Abroad - UK



2.16 NZers Average Days Abroad - Fiji

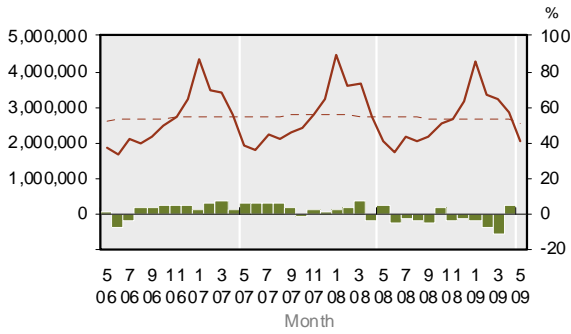


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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

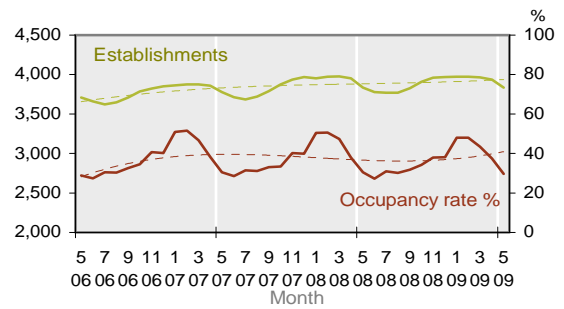
# TRENDS AND PATTERNS

## 3. Commercial Accommodation

### 3.1 Total Guest Nights

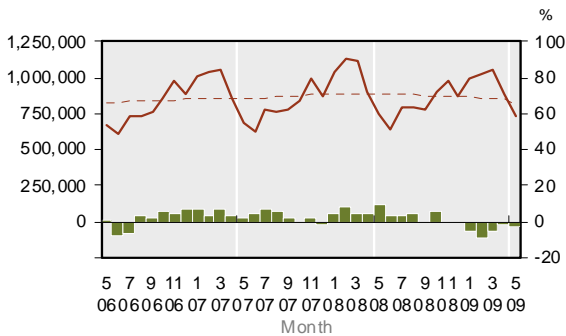


### 3.2 Total Establishments and Occupancy

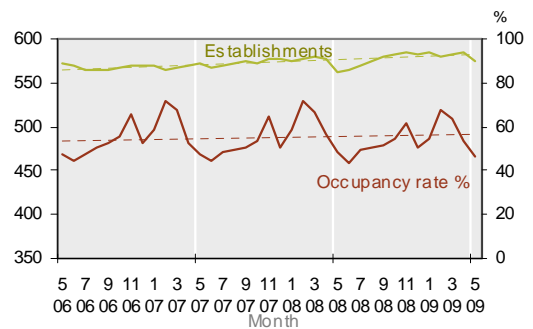


## Guest Nights by Accommodation Type

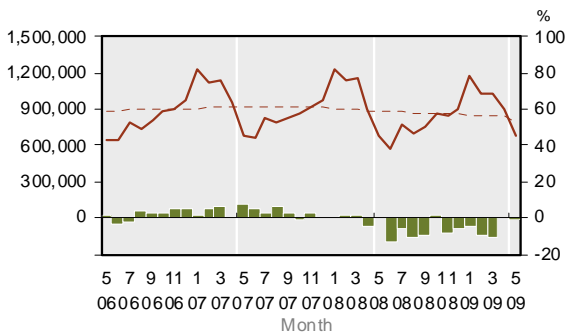
### 3.3 Hotel Guest Nights



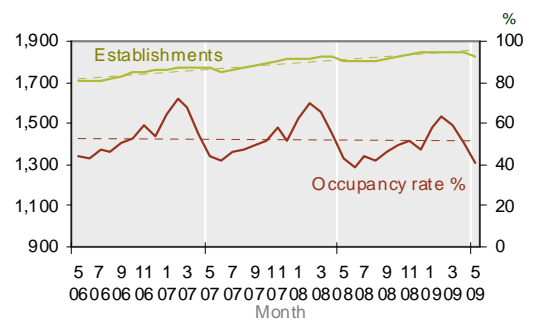
### 3.4 Hotels and Occupancy



### 3.5 Motel Guest Nights



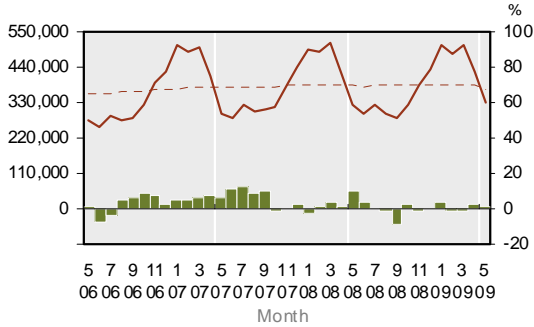
### 3.6 Motels and Occupancy



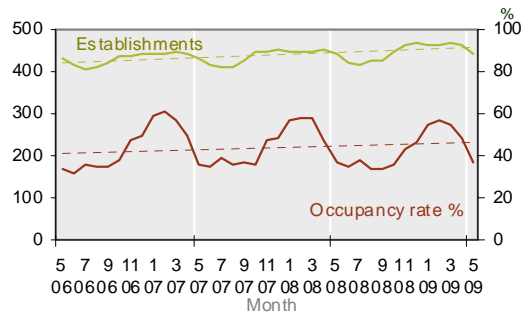
**KEY:**  
 Solid line (brown) – show statistics described by the graph title (left scale).  
 Dotted line (brown) – trend line.  
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

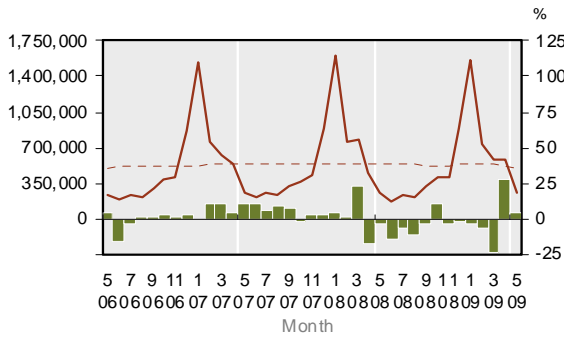
## 3.7 Backpacker Guest Nights



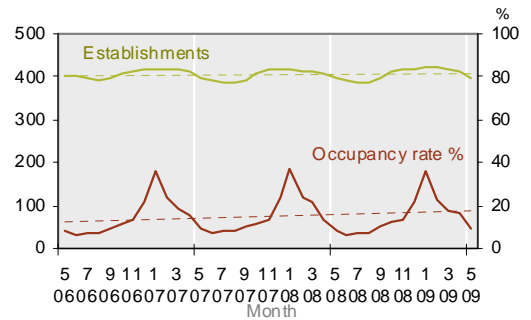
## 3.8 Backpackers and Occupancy



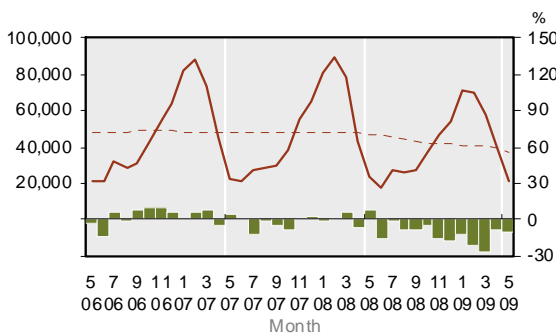
## 3.9 Caravan/Camping Guest Nights



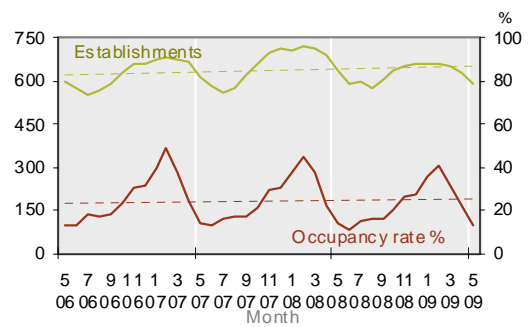
## 3.10 Caravan/Camping Est. and Occupancy



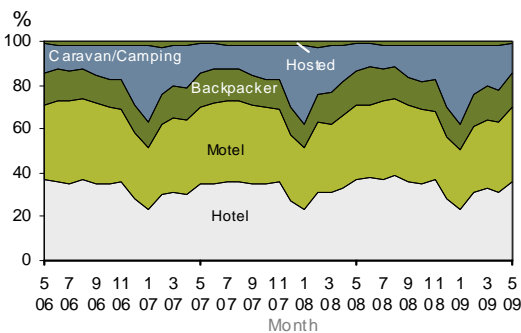
## 3.11 Hosted Guest Nights



## 3.12 Hosted and Occupancy



## 3.13 Share of Guest Nights by Establishment

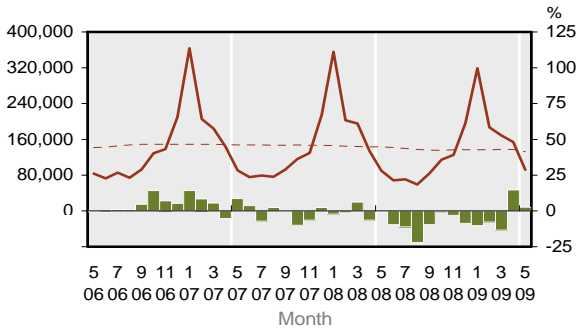


**KEY:**  
 Solid line (brown) – show statistics described by the graph title (left scale).  
 Dotted line (brown) – trend line.  
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

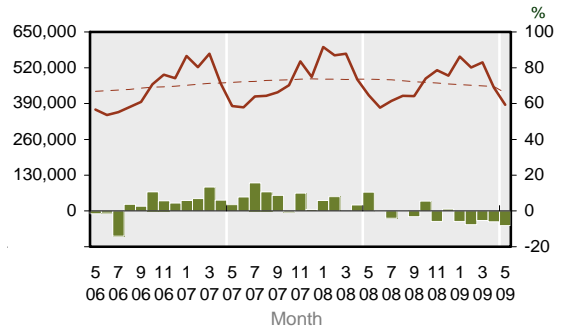
# TRENDS AND PATTERNS

## Guest Nights by Regional Tourism Organisation and District

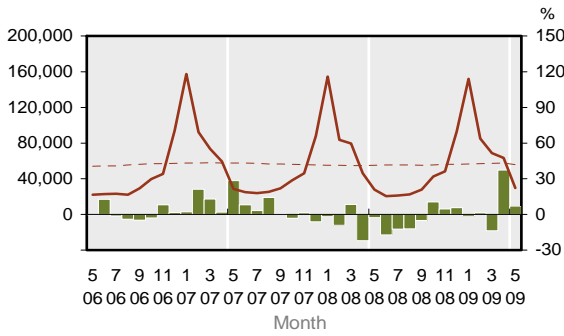
3.14 Northland RTO Guest Nights



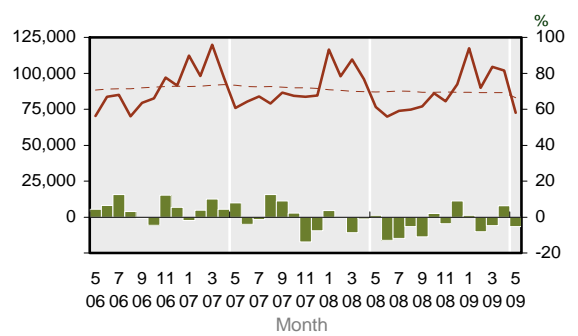
3.15 Auckland RTO Guest Nights



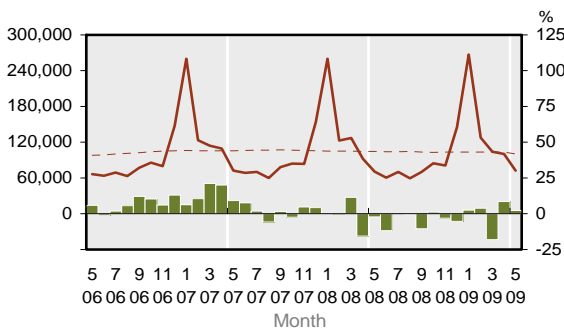
3.16 Coromandel RTO Guest Nights



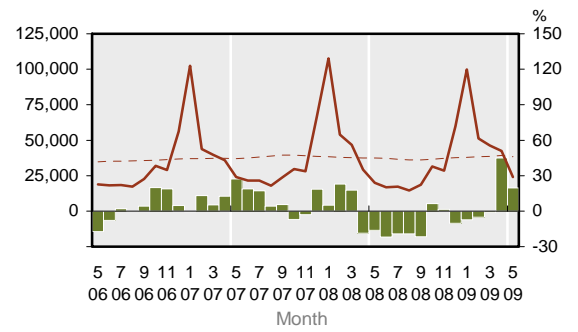
3.17 Waikato RTO Guest Nights



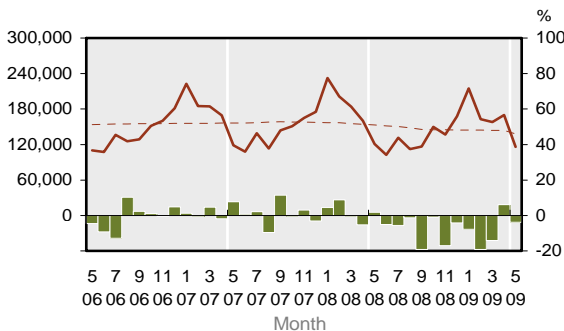
3.18 Bay of Plenty RTO Guest Nights



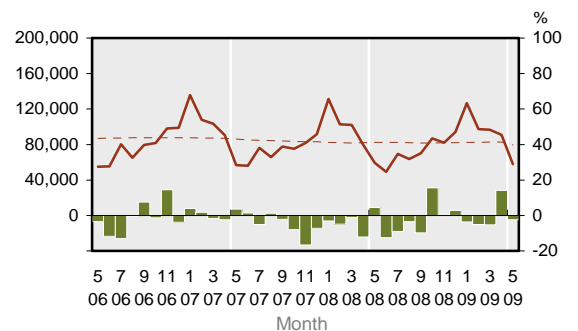
3.19 Eastland RTO Guest Nights



3.20 Rotorua RTO Guest Nights



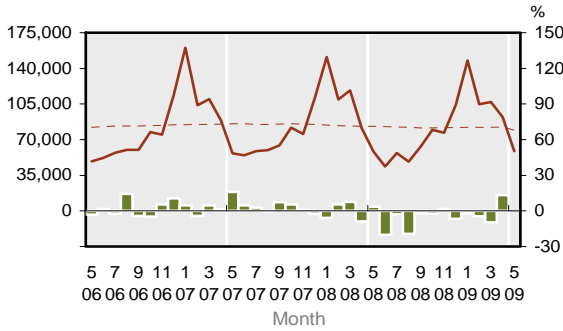
3.21 Lake Taupo RTO Guest Nights



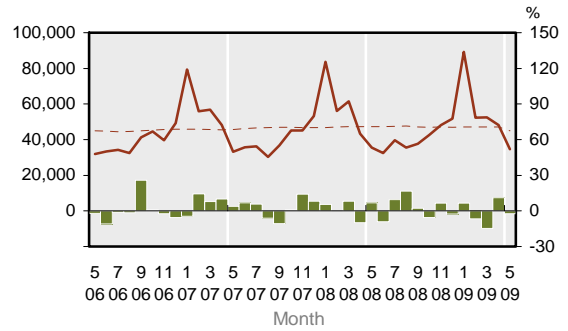
**KEY:**  
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 Dotted line (brown) – trend line.  
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

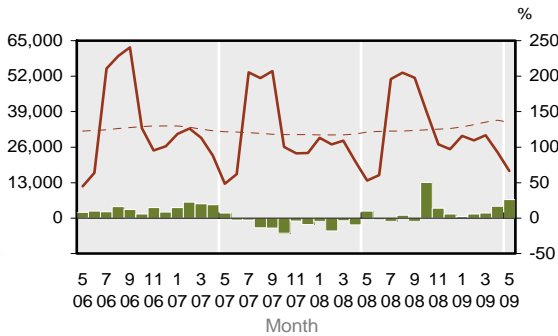
## 3.22 Hawke's Bay RTO Guest Nights



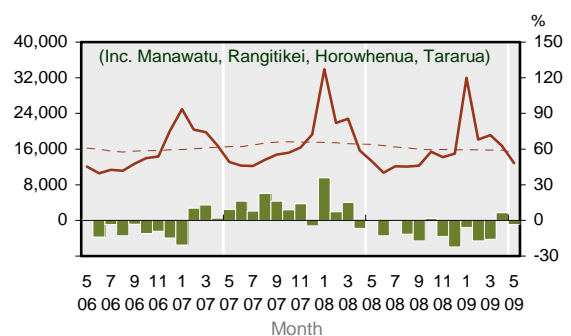
## 3.23 Taranaki RTO Guest Nights



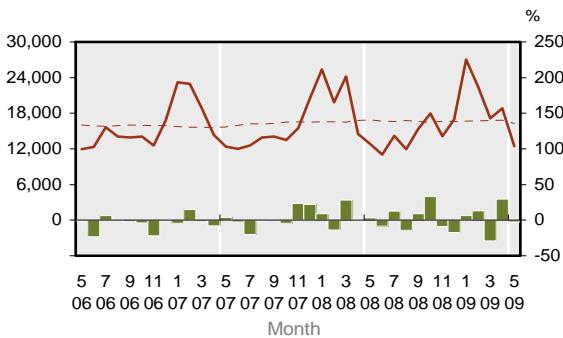
## 3.24 Ruapehu RTO Guest Nights



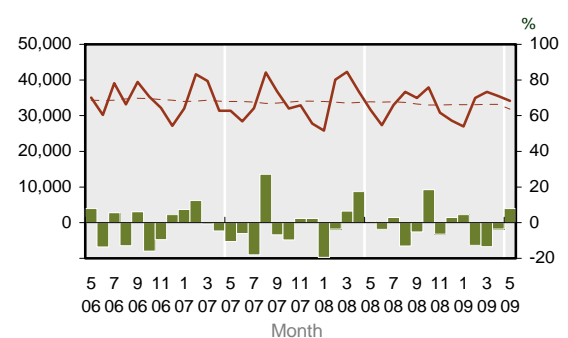
## 3.25 Combined Manawatu Guest Nights



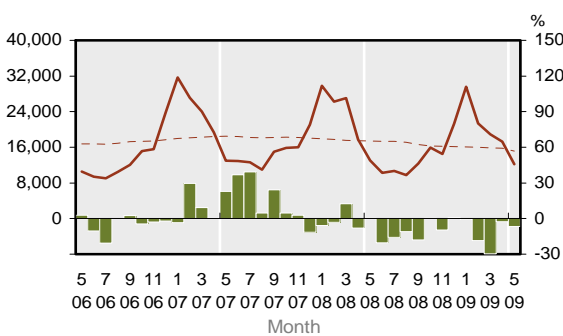
## 3.26 Wanganui District Guest Nights



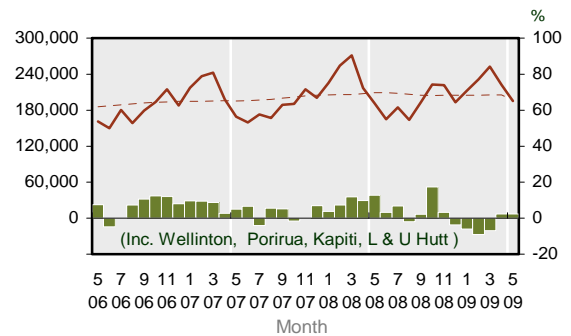
## 3.27 Palmerston North City Guest Nights



## 3.28 Wairarapa RTO Guest Nights



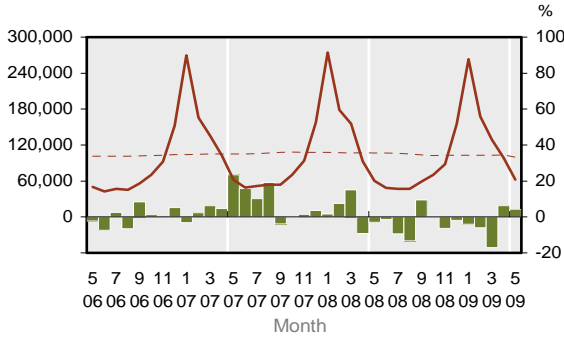
## 3.29 Wellington Region Guest Nights



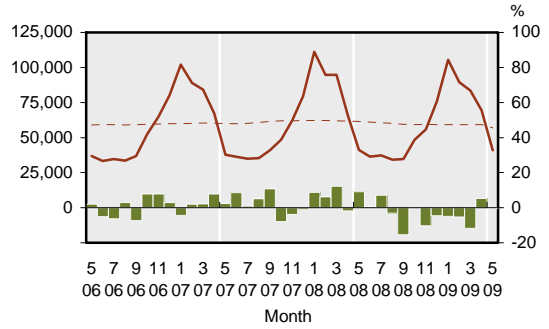
**KEY:**  
 Solid line (brown) – show statistics described by the graph title (left scale).  
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

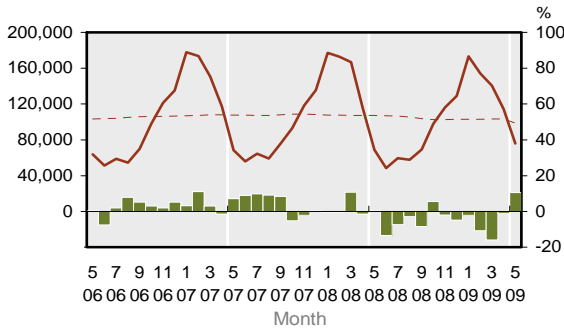
3.30 Nelson RTO Guest Nights



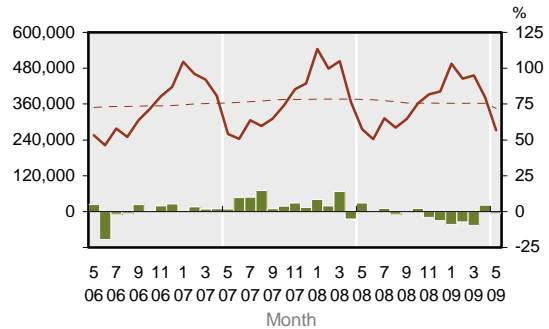
3.31 Marlborough RTO Guest Nights



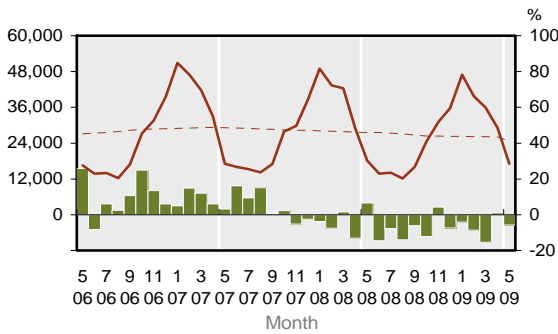
3.32 West Coast RTO Guest Nights



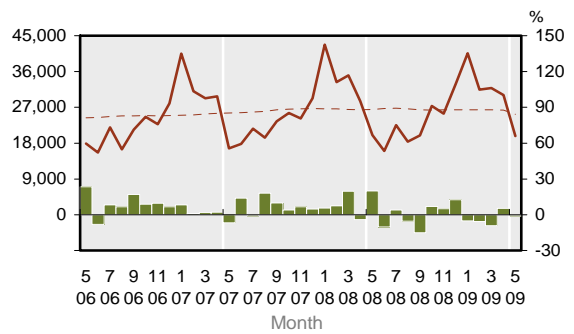
3.33 Canterbury Guest Nights



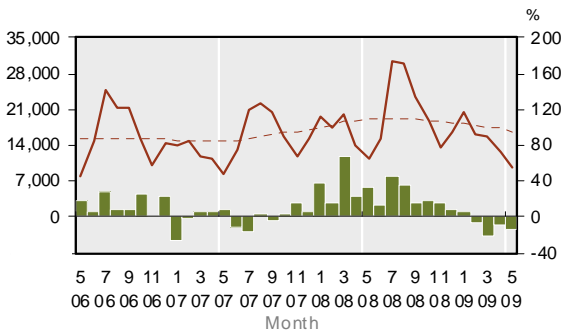
3.34 Kaikoura District Guest Nights



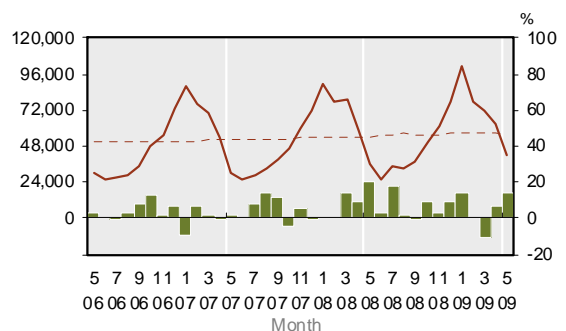
3.35 Hurunui RTO Guest Nights



3.36 Ashburton District Guest Nights



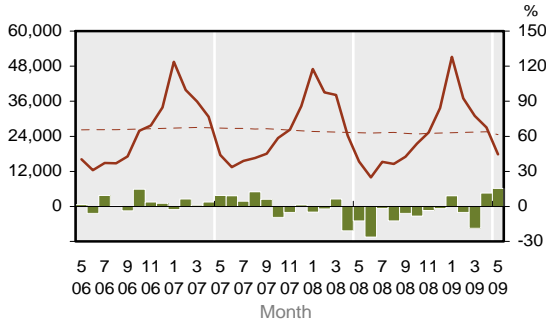
3.37 Mackenzie-Timaru Guest Nights



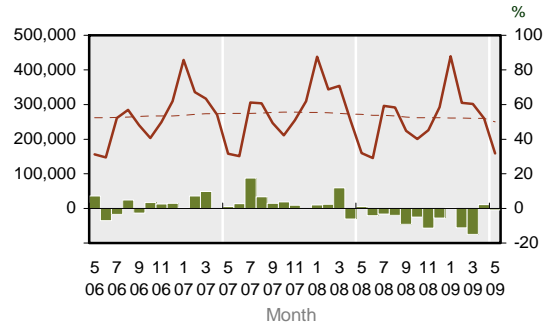
**KEY:**  
 Solid line (brown) – show statistics described by the graph title (left scale).  
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

# TRENDS AND PATTERNS

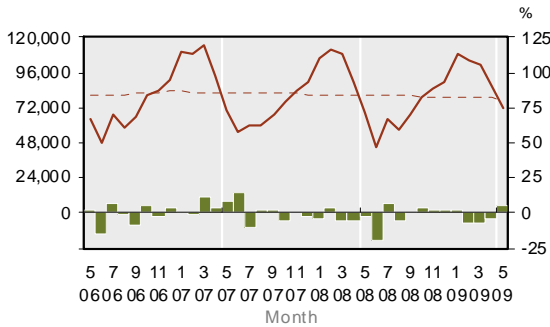
3.38 Waitaki-Waimate Guest Nights



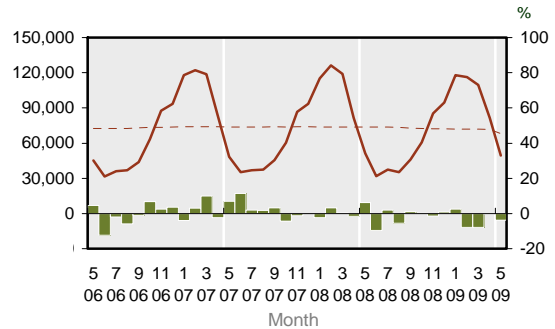
3.39 Queenstown Lakes - Central Otago Guest Nights



3.40 Dunedin - Clutha Guest Nights

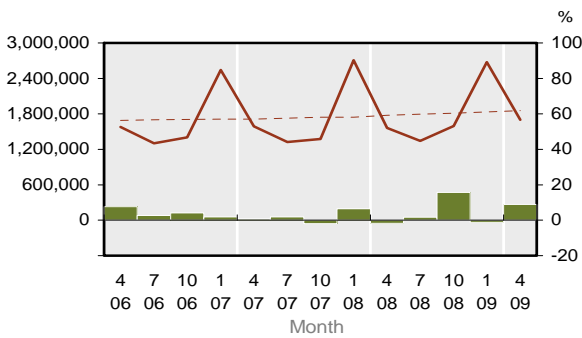


3.41 Southland Region Guest Nights

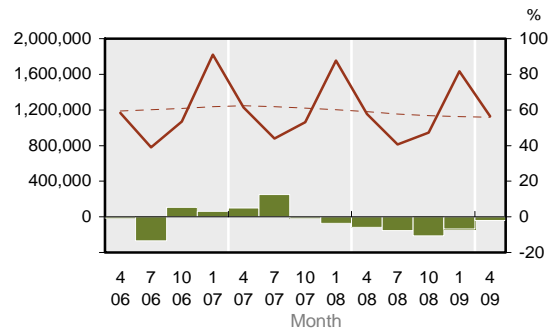


## International and Domestic Guest Nights

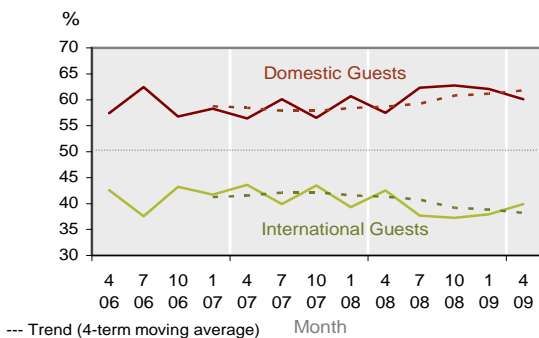
3.42 Domestic Guest Nights



3.43 International Guest Nights



3.44 Share of Total Guest Nights



Note: Total guest night data by international and domestic guests are available only for the months of Jan, Apr, Jul and Oct.

KEY: Solid line (brown) – show statistics described by the graph title (left scale).  
 Dotted line (brown) – trend line.  
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

## EXPLANATORY NOTES

### Inbound Tourism

This information refers to international visitors who arrive in New Zealand intending to stay for a short-term period of less than 12 months. Statistics are from passenger arrival cards collected at various NZ international airports and seaports. Data is processed by Statistics New Zealand and is partly sponsored by the Ministry of Tourism. Statistics are available monthly.

### Outbound Tourism

This information refers to NZ residents who went on overseas trips for a short-term period of less than 12 months. Statistics are from passenger departure cards collected at various NZ international airports and seaports. Data is processed by Statistics New Zealand and is partly sponsored by the Ministry of Tourism. Statistics are available monthly.

### Commercial Accommodation

Statistics are obtained from the Accommodation Survey (commonly referred to as CAM – Commercial Accommodation Monitor) conducted by Statistics New Zealand and sponsored by the Ministry of Tourism. The survey covers those commercial accommodation providers that are GST-registered and have a turnover of at least \$30,000 a year. Those smaller providers that do not meet these criteria or provide accommodation as a secondary business activity (e.g. farm-stay) are excluded from the survey. Data collected include - number of establishments, guests, nights stayed, and international and domestic guests.

### International Visitor Expenditure

This information is obtained from the International Visitor Survey (IVS, conducted by The Nielsen Company for the Ministry of Tourism). The survey covers an annual sample of 5,000 departing overseas visitors aged 15 years or over who are interviewed at the Auckland, Wellington and Christchurch international airports. Data collected include - visitor demographics, places visited, tourism activities undertaken and expenditure in New Zealand. IVS statistics are released quarterly.

### Domestic Tourism

This information is obtained from the Domestic Travel Survey (DTS, conducted by The Nielsen Company for the Ministry of Tourism). The survey covers an annual sample of 15,000 NZ residents aged 15 years or over who are interviewed via telephone about their travel experience within New Zealand. Data collected include - traveller demographics, day and overnight trips, places visited, tourism activities undertaken and expenditure. DTS statistics are released quarterly.

### Tourism Satellite Account

The TSA provides a range of measures on tourism's contribution to the NZ economy. Key measures include tourism expenditure as a proportion of GDP, export earnings, GST and employment. More detailed expenditure measures include breakdown by direct and indirect tourism value added, international and domestic, tourism related product groups. The TSA is produced annually by Statistics New Zealand and sponsored by Ministry of Tourism. The New Zealand TSA has adopted the UNWTO methodology.

### Differences between TSA and IVS & DTS

TSA gives a most definitive account of tourism value and is most complete (compared to IVS and DTS). TSA uses IVS and DTS among other data sources for its calculations, but there are some conceptual and coverage differences as outlined below. The values of international and domestic tourism given in TSA are normally greater than those measured in IVS and DTS, as illustrated below, comparing tourism expenditure for year ended March 2007:

TSA (International) = \$8,798m vs IVS = \$6,291m;

TSA (Domestic) = \$11,286m vs DTS = \$7,620m

The key difference in IVS vs TSA is that IVS includes only international visitor expenditure incurred within NZ. This means IVS does not include international airfares paid to NZ carriers (such as Air NZ) before arrival as the travel was undertaken outside NZ. However, prepaid expenditure for items to be used while in NZ is included in IVS, eg tour packages, accommodation, food, etc. In contrast, TSA does include international airfares paid to NZ carriers. Also, in TSA the expenditure of education visitors is calculated separately using more robust data from Statistics NZ and Ministry of Education instead of sample estimate from IVS.

In DTS, it measures domestic travel of households. Therefore, travel expenditure incurred by many business and government organisations are not fully captured in DTS. However, in TSA, Statistics NZ used more robust data to calculate business and government travel expenditure more fully.

TSA measures are calculated for year ended March only, while IVS and DTS data are available quarterly.

Users should exercise caution when using TSA and IVS & DTS expenditure data. They are not directly comparable because of the differences outlined above.

## EXPLANATORY NOTES

### Growth rate

All growth rates in this monitor refer to the percentage change in a particular variable over the same period (month or quarter) in the previous year. Because tourism variables typically have large seasonal variation it is more meaningful to compare the change in a variable of a reference month/quarter on a year-on-year basis. Caution should be exercised when interpreting growth rates. A large change in growth rate could be due to irregularity or different timing of major annual events which can distort growth patterns significantly (e.g. Easter holidays, major sporting and local events). A negative/low growth rate in one year may be due to exceptional growth rate in the previous year, and vice versa.

### Trend line

Trend lines have been provided for variables in graphs under the Trends and Patterns section. A trend line helps identify more clearly the general direction and pace of change that may not be apparent in seasonal time series as in tourism variables.

The trend lines have been calculated using a 'moving average' method. Each trend value is calculated centred on 13 data points for monthly series and 5 data points for quarterly series. Equal weight (1/12 for monthly and 1/4 for quarterly series) is applied to all data points except at both ends of the period that are given half the normal weight. Furthermore, for monthly series, in order to calculate the trend values for the last 6 months of a time series it requires forward estimates of the variable for next six months. These estimates are derived by assuming that their growth rates are generally the average for the preceding 3 months. Similarly, for quarterly series, forward estimates are required for two quarters which are assumed to have an average growth rate for the previous two quarters. Because of the assumptions used the trend values for the latest 6 months in a monthly series and latest 2 quarters in a quarterly series are provisional and are subject to revision as later data become available.

### Sources of Statistics

All statistics in this publication are drawn from the following sources:

1. Inbound Tourism : "*International Travel and Migration*", Statistics New Zealand
2. Outbound Tourism : "*International Travel and Migration*", Statistics New Zealand
3. Accommodation : "*Accommodation Survey*", Statistics New Zealand
4. International Visitor Expenditure : "*International Visitor Survey*", Ministry of Tourism
5. Domestic Tourism : "*Domestic Travel Survey*", Ministry of Tourism
6. Tourism Satellite Account : "*Tourism Satellite Account, 2007*", Statistics New Zealand
7. Forecasts : Ministry of Tourism
  - *New Zealand Tourism Forecasts, 2008-2014 (Summary Document)*
  - *New Zealand Regional Tourism Forecasts, 2007-2013*  
(Note: new regional forecasts 2008-2014 will be released later in 2008)

### For further information contact:

- a. Ministry of Tourism, t: (04) 498 7440, <http://www.tourismresearch.govt.nz>
- b. Statistics New Zealand, t: (04) 9314600, <http://www.stats.govt.nz/tourism>
- c. Tourism New Zealand, t: (04) 917 5400, <http://www.tourismnewzealand.com>

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Fern – Rebecca Davis, [www.moxie.co.nz](http://www.moxie.co.nz)