



TOURISM LEADING INDICATORS MONITOR

SERIES 2009/8 **SEPTEMBER 2009** NEW ZEALAND

This edition provides new data on:

- Inbound and Outbound Travel Aug 09
- Commercial Accommodation Jul 09

It highlights the latest key indicators which show that tourism outlook is picking up and tourism business confidence is improving.

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CONTENTS

Commentary	2
Inbound Tourism	4
Outbound Tourism	6
Commercial Accommodation	8
International Visitor Expenditure	10
Domestic Tourism	11
Tourism Satellite Account	12
Tourism Forecasts	13
Trends and Patterns	14
Explanatory Notes	27

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COMMENTARY

Tourism Outlook Picking Up

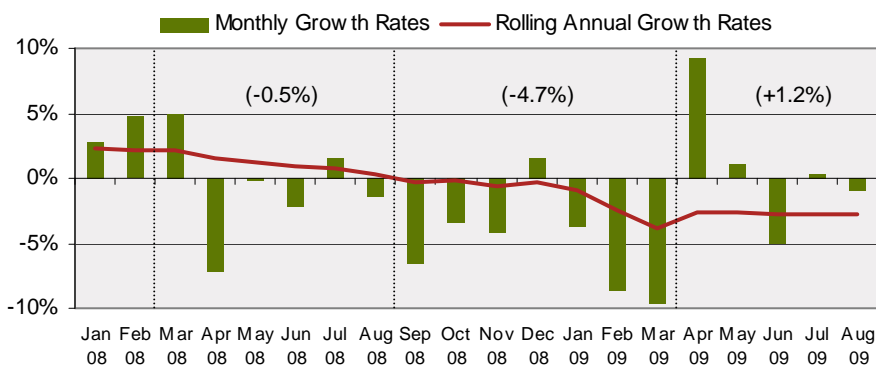
This time last year, dark clouds loomed over the tourism industry, both in New Zealand and globally. Slowing global economies were further shocked by major financial failures and this resulted in a sharp contraction of economic and tourism activities worldwide. A year on, it is becoming increasingly clear that the worst is over, for both the global economy and the New Zealand tourism industry.

Figure 1 below shows the progress of international visitor arrivals over the last 20 months in three defining periods:

- March to August 2008** - The impacts of slowing world economies, high oil prices and a highly valued NZ\$ suppressed tourism activity into New Zealand. This was the start of the current slowdown in the New Zealand tourism sector.
- September 2008 to March 2009** - The impact of the global financial crisis resulted in sharp declines in international visitor arrivals. Falls of this depth and duration are unusual, and this reflects the gravity of the downturn. The months of February and March were most affected and importantly those visitors not arriving in this period were long-haul leisure travellers from such important markets as the UK and US. These losses certainly affected the peak of the high value 'holiday' season. Overall, nearly half of the 72,000 fall in arrivals over the past year occurred in these two months alone.
- April to August 2009** - Following an Easter rebound in April, tourism demand has been reasonably stable. The main features have been the stunning strength of the Australian market (up 16.1% for these five months); the impact of Influenza A (H1N1) that dramatically affected Asian markets (down 24.6%), with June being the worst month; and gradual easing of the decline of European and American markets (down 2.6%).

The next phase to the end of 2009 will likely see a recovery of growth on a monthly basis. However, this will be off the weak performance over the equivalent period last year. The point at which real growth will occur is less clear and it is likely that this will not be until 2011 when over 2.56 million arrivals are expected – refer the Ministry of Tourism's 2009-2015 forecasts: www.tourismresearch.govt.nz/forecasts.

Figure 1: International Visitor Arrivals
- Monthly and Rolling Annual Growth Rates, Jan08-Aug09



International visitors down 2.8% in year ended August 2009, but up 1.2% over the past five months.

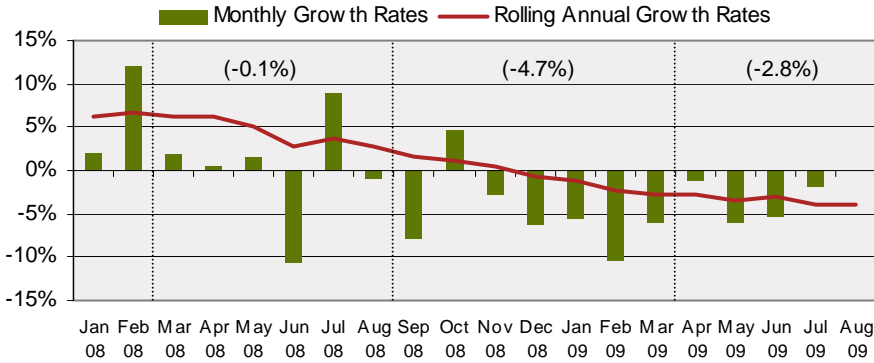
An important aspect of New Zealand's performance over the last year is that our 2.8% decline in arrivals in the year to August 2009 is relatively better than many other destinations around the world, for example - Australia (down 3.5%) and UK (down 8.4%) to July; Hawaii (down 12.5%), China (down 17.8%) and Japan (down 18.7%) to June; and Canada down 6.0% (to May).

New Zealand's inbound travel doing better than many other destinations.

The pattern seen in Figure 1 is very similar for New Zealand outbound travel and nights in commercial accommodation (Figures 2 and 3 below). In particular, accommodation guest nights have stabilised over the four months to July, with an increase of 1.1% for this period.

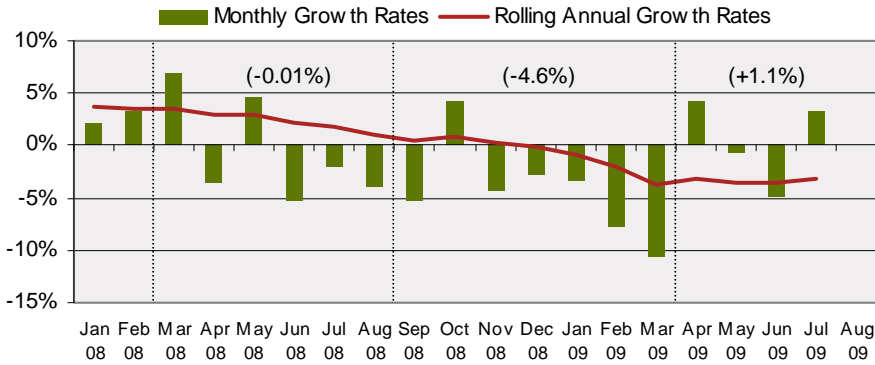
COMMENTARY

Figure 2: Outbound Overseas Trips by New Zealand Residents
- Monthly and Rolling Annual Growth Rates, Jan08-Aug09



Outbound travel down 3.8% in the year to August 2009.

Figure 3: Commercial Accommodation Guest Nights
- Monthly and Rolling Annual Growth Rates, Jan08-Jul09

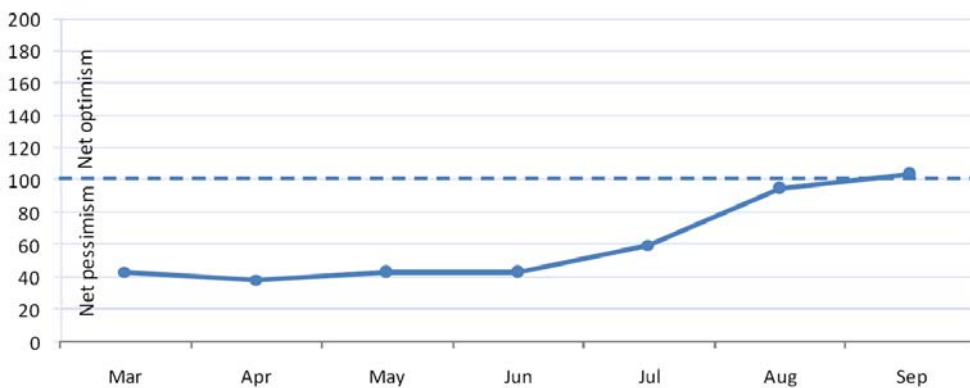


Commercial guest nights down 3.1% in the year to July 2009.

Tourism Business Confidence Improving

Tourism operators are expressing an improved outlook for the sector, and for the first time there are more respondents with a positive outlook for the next three months than those with a negative outlook. The September Tourism Industry Monitor (TIM) is based on 790 respondents and is available at: www.tourismresearch.govt.nz/tim

Figure 4: Tourism Business Confidence Index, March-September 2009



Tourism business confidence has improved and there is net optimism in outlook for the next three months.

Together, these indicators show that the New Zealand tourism industry is coming through the current downturn. The rate of recovery will be important, and there are many uncertainties and risks to this more positive sentiment. However, as the sector orients itself towards the next summer season, the outlook over this period and beyond is certainly improving. This is a much better position than we were in this time last year.

1. INBOUND TOURISM

International Visitor Arrivals, August 2009 - In the month of August 2009 there were 161,100 international visitor arrivals, down by 0.9% (1,400) compared to August 2008.

Markets – Visitors from Australia (up 9,200 or 11.6%) recorded the largest increase in August 2009. This was followed by the United States (up 740 or 7.4%), Hong Kong (up 330 or 22.9%), French Polynesia (up 240 or 34.2%), New Caledonia (up 190 or 22.4%) and Germany (up 190 or 7.7%)

In contrast, there were fewer visitors from Japan (down 3,500 or 38.7%), South Korea (down 2,100 or 33.7%), China (down 1,900 or 29.0%), the United Kingdom (down 1,400 or 12.2%) and South Africa (down 650 or 37.6%).

Purpose - There were more visiting friends and relatives (up 1,800 or 4.5%) and on holiday (up 910 or 1.2%) in August 2009 compared to August 2008, while there were fewer visitors on business (down 1,900 or 8.9%).

Duration – In August 2009, the average length of stay of visitors was 16.9 days, 0.7 day shorter than in August 2008. The total number of visitor days decreased by 4.8% (138,000) to 2.70 million.

Flights – There were 2,514 flight-arrivals in August 2009, 53 flights or 2.2% more than in August 2008.

Annual Arrivals – For the year ended August 2009, there were 2.410 million international visitor arrivals, down by 69,700 or 2.8% on the previous year.

Total visitor days were down by 4.7% to 49.03 million, with the average length of stay down 0.4 day to 20.4 days.

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

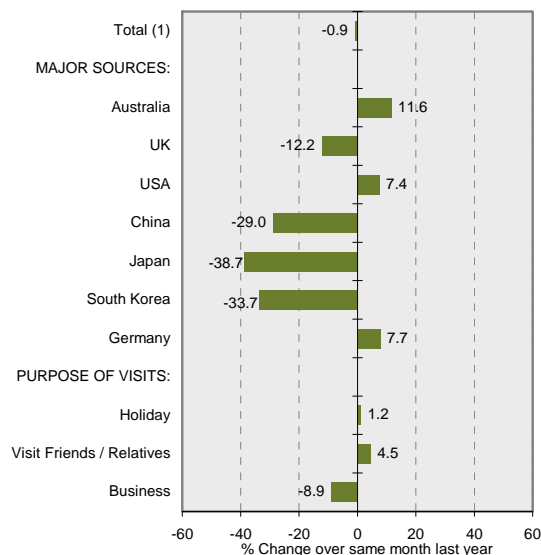
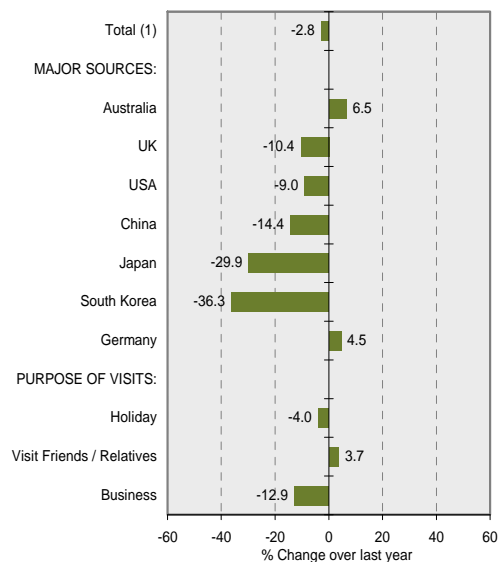


Figure 1b **Growth Rate of International Visitor Arrivals (Year Ended August 2009)**



1. INBOUND TOURISM

Table 1a International Visitor Arrivals (Month)

AUGUST MONTH	International Visitor Arrivals			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
Total (1)	164,775	162,485	161,100	-1.4	-0.9
MAJOR SOURCES:					
Australia	78,188	79,178	88,347	1.3	11.6
UK	12,672	11,792	10,353	-6.9	-12.2
USA	10,626	10,010	10,752	-5.8	7.4
China	9,020	6,446	4,578	-28.5	-29.0
Japan	9,878	9,108	5,586	-7.8	-38.7
South Korea	5,742	6,336	4,200	10.3	-33.7
Germany	2,552	2,398	2,583	-6.0	7.7
PURPOSE OF VISITS:					
Holiday	78,364	76,142	77,049	-2.8	1.2
Visit Friends / Relatives	40,986	42,812	44,730	4.5	4.5
Business	22,858	21,582	19,656	-5.6	-8.9
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	2,334	2,461	2,514	5.4	2.2

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

Table 1b International Visitor Arrivals (Year)

YEAR ENDED AUGUST	International Visitor Arrivals			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
Total (1)	2,472,946	2,480,198	2,410,471	0.3	-2.8
MAJOR SOURCES:					
Australia	938,114	969,856	1,032,802	3.4	6.5
UK	302,061	289,845	259,677	-4.0	-10.4
USA	217,934	216,237	196,823	-0.8	-9.0
China	118,244	120,342	102,997	1.8	-14.4
Japan	125,278	113,992	79,918	-9.0	-29.9
South Korea	109,561	88,779	56,565	-19.0	-36.3
Germany	59,598	60,700	63,448	1.8	4.5
PURPOSE OF VISITS:					
Holiday	1,220,525	1,204,667	1,157,032	-1.3	-4.0
Visit Friends / Relatives	705,282	735,369	762,614	4.3	3.7
Business	272,960	264,225	230,229	-3.2	-12.9
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	28,002	28,328	28,940	1.2	2.2

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

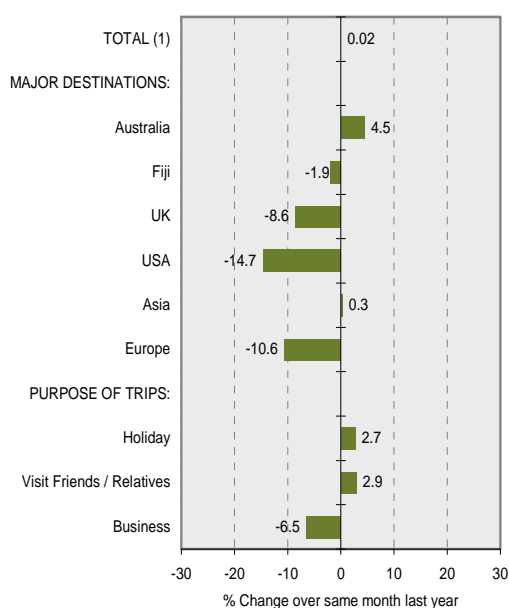
2. OUTBOUND TOURISM

Departures, August 2009 - In the month of August 2009, New Zealand residents undertook 176,320 short-term overseas trips, up by 30 or 0.02% compared to August 2008.

Destinations - There were more trips to Australia (up 3,600 or 4.5%), Indonesia (up 800 or 67.2%), the Philippines (up 540 or 207.7%), the Cook Islands (up 430 or 7.7%) and Tonga (up 340 or 7.7%).

In contrast, there were fewer trips to the United States (down 1,400 or 14.7%), the United Kingdom (down 860 or 8.6%), Viet Nam (down 620 or 49.0%), France (down 470 or 27.5%) and India (down 320 or 17.8%).

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

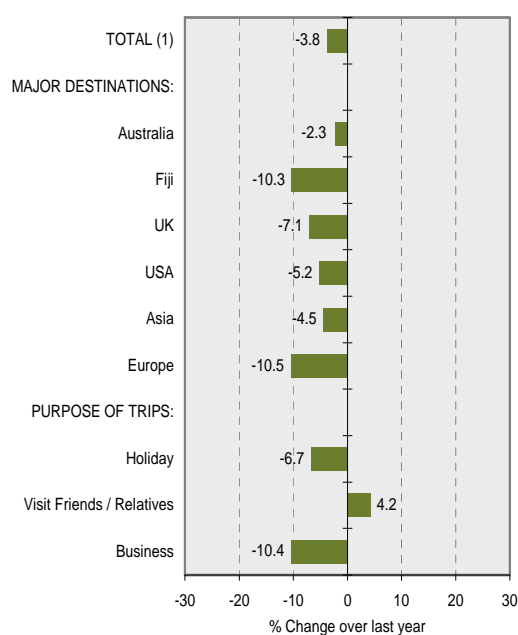


Purpose - There were more New Zealanders on holiday (up 2,200 or 2.7%) and visiting friends and relatives (up 1,400 or 2.9%) in August 2009 compared to August 2008, while there were fewer on business (down 1,700 or 6.5%).

Duration - The average length of trips in August 2009 was 17.7 days, 0.5 day shorter than in August 2008.

Annual Departures - There were 1.916 million trips undertaken in the year ended August 2009, down by 76,000 or 3.8% on the previous year.

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



2. OUTBOUND TOURISM

Table 2a Trips Abroad by NZ Residents (Month)

AUGUST MONTH	Trips Abroad by NZ Residents			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL (1)	177,853	176,291	176,320	-0.9	0.02
MAJOR DESTINATIONS:					
Australia	88,660	81,562	85,200	-8.0	4.5
Fiji	11,258	12,974	12,725	15.2	-1.9
UK	9,984	10,062	9,200	0.8	-8.6
USA	8,944	9,438	8,050	5.5	-14.7
Asia	17,550	17,680	17,725	0.7	0.3
Europe	18,070	18,460	16,500	2.2	-10.6
PURPOSE OF TRIPS:					
Holiday	81,380	80,548	82,725	-1.0	2.7
Visit Friends / Relatives	48,906	48,620	50,025	-0.6	2.9
Business	25,532	25,584	23,925	0.2	-6.5

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

Table 2b Trips Abroad by NZ Residents (Year)

YEAR ENDED AUGUST	Trips Abroad by NZ Residents			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL (1)	1,936,865	1,992,437	1,916,018	2.9	-3.8
MAJOR DESTINATIONS:					
Australia	966,786	960,131	937,672	-0.7	-2.3
Fiji	99,057	99,992	89,698	0.9	-10.3
UK	92,838	95,561	88,805	2.9	-7.1
USA	89,971	94,691	89,724	5.2	-5.2
Asia	244,131	258,626	247,116	5.9	-4.5
Europe	166,940	176,617	158,119	5.8	-10.5
PURPOSE OF TRIPS:					
Holiday	812,719	839,068	782,554	3.2	-6.7
Visit Friends / Relatives	606,809	628,141	654,625	3.5	4.2
Business	289,273	287,879	257,893	-0.5	-10.4

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

3. COMMERCIAL ACCOMMODATION

Guest Nights, July 2009 - In the month of July 2009, a total of 2,230,214 guest nights were spent in commercial accommodation, an increase of 70,900 nights (or 3.3%) from July 2008.

Both the North Island (up 37,700 or 3.0%) and the South Island (up 33,300 or 3.7%) recorded an increase in guest nights in July 2009.

International and Domestic - In July 2009, guest nights comprised 62.9% domestic guests (1.40 million) and 37.1% international guests (828,100). International guest nights increased by 1.8% (15,000) and domestic guest nights increased by 4.2% (55,900).

Accommodation Types – Four of the five accommodation types recorded an increase in guest nights in July 2009. Hotels recorded the largest increase (up 63,200 or 7.9%), followed by motels (up 4,500 or 0.6%), caravan parks/camping grounds (up 2,700 or 1.1%) and backpackers (up 1,600 or 0.5%).

Hosted accommodation recorded the only decrease in guest nights in July 2009 (down 1,100 or 3.9%).

Occupancy - The overall occupancy rate of accommodation establishments in July 2009 was 30.2%, down 0.8 percentage point compared to 31.0% in July 2008.

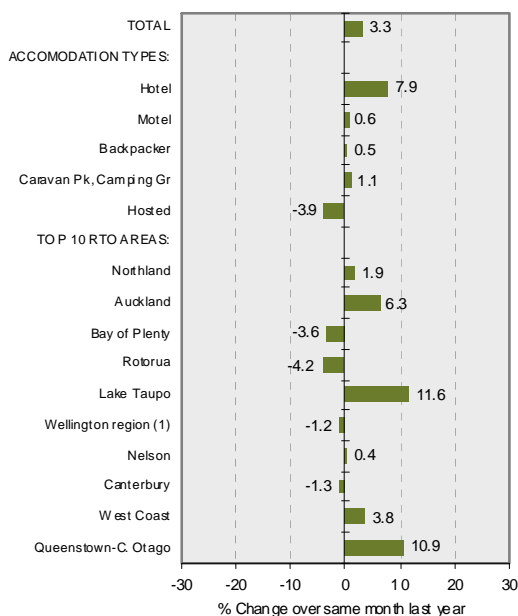
Hosted (16.4%, up 1.1 points) and hotels (50.1%, up 0.8 point) recorded increases in occupancy. Motels recorded the largest decrease in occupancy (42.2%, down 2.3 points), followed by backpackers (35.8%, down 1.7 points), and camping parks/caravan grounds (7.1%, down 0.7 point).

RTOs - In July 2009 Queenstown/Central Otago recorded the largest increase in guest nights (up 32,100 or 10.9%) from July 2008. This was followed by Auckland (up 25,200 or 6.3%), Ruapehu (up 16,300 or 31.9%), Taupo (up 8,000 or 11.6%), Mackenzie/Timaru (up 7,700 or 22.2%), the Coromandel (up 3,300 or 15.8%), West Coast (up 2,300 or 3.8%), Waitaki (up 1,900 or 12.5%), Palmerston North (up 1,700 or 5.1%) and Ashburton (up 1,500 or 5.1%).

Rotorua recorded the largest decrease (down 5,500 or 4.2%), followed by Wanganui (down 4,100 or 29.1%), Canterbury (down 4,100 or 1.3%), Dundin/Clutha (down 3,900 or 6.1%), Taranaki (down 3,100 or 7.8%), Bay of Plenty (down 2,500 or 3.6%), Marlborough (down 1,600 or 4.2%), Wellington (down 2,300 or 1.2%) and Waikato (down 1,400 or 1.9%).

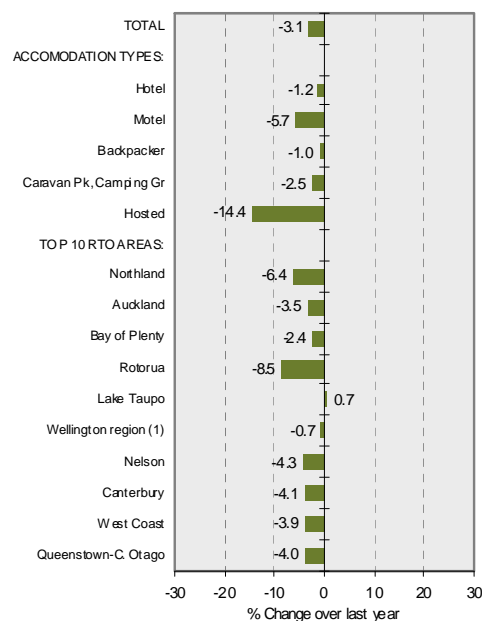
Annual - For the year ended July 2009, there was a total demand of 32.17 million guest nights, down by 1.04 million or 3.1% on the previous year.

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



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

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



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

3. COMMERCIAL ACCOMMODATION

Table 3a Guest Nights (Month)

JULY MONTH	Guest Nights			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL	2,205,310	2,159,287	2,230,214	-2.1	3.3
ACCOMMODATION TYPES:					
Hotel	780,276	799,756	862,941	2.5	7.9
Motel	820,958	774,327	778,855	-5.7	0.6
Backpacker	322,315	320,985	322,573	-0.4	0.5
Caravan Pk, Camping Gr	254,164	236,868	239,553	-6.8	1.1
Hostel	27,597	27,350	26,292	-0.9	-3.9
TOP 10 RT0 AREAS:					
Northland	79,333	70,506	71,832	-1.1	1.9
Auckland	416,055	399,127	424,344	-4.1	6.3
Bay of Plenty	70,115	70,094	67,559	0.0	-3.6
Rotorua	139,177	131,476	125,984	-5.5	-4.2
Lake Taupo	76,189	69,297	77,331	-9.0	11.6
Wellington region (1)	173,036	184,857	182,586	6.8	-1.2
Nelson	51,701	46,887	47,059	-9.3	0.4
Canterbury	305,362	312,340	308,279	2.3	-1.3
West Coast	64,361	59,656	61,935	-7.3	3.8
Queenstown-C. Otago	306,088	296,036	328,181	-3.3	10.9

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

Table 3b Guest Nights (Year)

YEAR ENDED JULY	Guest Nights			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL	32,648,077	33,209,399	32,173,529	1.7	-3.1
ACCOMMODATION TYPES:					
Hotel	10,261,179	10,634,744	10,508,777	3.6	-1.2
Motel	10,942,652	10,860,346	10,242,478	-0.8	-5.7
Backpacker	4,478,013	4,589,662	4,545,234	2.5	-1.0
Caravan Pk, Camping Gr	6,384,703	6,546,449	6,382,343	2.5	-2.5
Hostel	581,531	578,197	494,697	-0.6	-14.4
TOP 10 RT0 AREAS:					
Northland	1,785,705	1,745,446	1,634,116	-2.3	-6.4
Auckland	5,502,420	5,739,232	5,536,227	4.3	-3.5
Bay of Plenty	1,270,695	1,262,587	1,232,899	-0.6	-2.4
Rotorua	1,874,978	1,881,842	1,721,046	0.4	-8.5
Lake Taupo	1,049,630	985,983	993,275	-6.1	0.7
Wellington region (1)	2,330,996	2,470,948	2,452,647	6.0	-0.7
Nelson	1,253,493	1,287,949	1,232,664	2.7	-4.3
Canterbury	4,301,793	4,516,796	4,333,566	5.0	-4.1
West Coast	1,286,598	1,290,871	1,240,653	0.3	-3.9
Queenstown-C. Otago	3,254,461	3,316,027	3,183,626	1.9	-4.0

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

4. INTERNATIONAL VISITOR EXPENDITURE

Expenditure, Year ended June 2009 - International visitors spent a total of \$6,016 million in New Zealand for the year ended June 2009 (excluding international airfares). This is a decrease of 2.6% (\$161 million) on the previous year.

Markets – The Chinese market recorded the largest increase, up by \$73 million or 28.0%, followed by Germany (up \$45 million or 18.8%).

In contrast, the expenditure by the United Kingdom (down \$188 million or 18.6%), South Korea (down \$58 million or 22.8%), Australia (down \$56 million or 3.3%), the United States (down \$11 million or 1.7%) and Japan (down \$4 million or 0.9%) markets were lower than the previous June year.

Average Spend - The average spend per visitor was \$2,750 up 0.3% on the previous year.

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



Table 4 **International Visitor Expenditure (Year)**

YEAR ENDED JUNE	NZ\$million ⁽¹⁾			Growth Rate (%)	
	2007	2008	2009	07-08	08-09
TOTAL	5,902	6,177	6,016	4.7	-2.6
Australia	1,453	1,694	1,637	16.5	-3.3
UK	892	1,014	826	13.7	-18.6
USA	699	618	608	-11.5	-1.7
China	265	261	334	-1.7	28.0
Japan	385	426	422	10.6	-0.9
South Korea	240	256	198	6.5	-22.8
Germany	262	240	285	-8.6	18.8
Other	1,705	1,669	1,707	-2.1	2.3
Average Spend/Visit	2,641	2,742	2,750	3.8	0.3

⁽¹⁾ 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)**

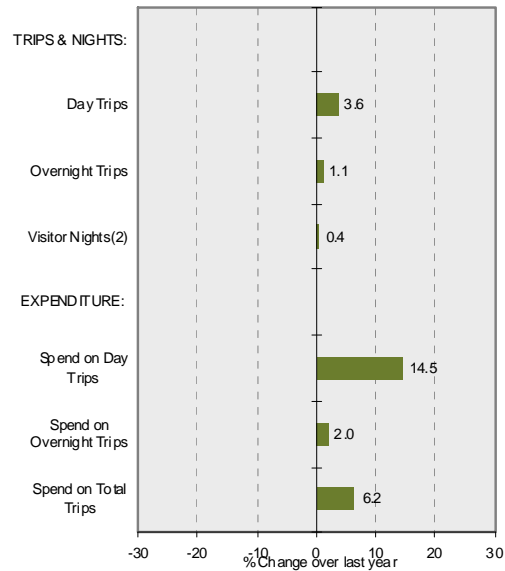


Table 5 **Domestic Tourism (Year)**

YEAR ENDED DECEMBER	Domestic Travel ⁽¹⁾			Growth Rate [%]	
	2006	2007	2008	06-07	07-08
TRIPS & NIGHTS: (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 ⁽²⁾	43,971	44,352	44,545	0.9	0.4
EXPENDITURE: (\$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.

Table 6 Tourism Satellite Account, 2005-2007

YEAR ENDED MARCH				Growth Rate (%)	
	2005	2006	2007	05-06	06-07
Tourism Expenditure (\$million)	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
Persons Engaged in Tourism (full-time equivalent, 000)	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
Tourism Contributions to NZ Economy (Percent)					
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, 2009-2015 - The latest Ministry of Tourism forecasts provide an outlook on tourism demand in New Zealand over the next seven years. The forecasts are intended to assist the tourism sector decision-making and planning.

International visitor arrivals - are forecast to increase from 2.45 million in 2008 to 2.90 million in 2015. This represents a growth of 18.6% (or 455,000 visitors). The average annual growth rate is 2.5%.

The performance will be weak in the short term, with international visitor arrivals are expected to decrease by 104,000 or 4.2% in 2009. This is the largest annual decrease in the last six decades, reflecting significant impact of the worst economic recession in this period and compounded by the influenza A (H1N1) pandemic.

Visitor arrivals to New Zealand are forecast to rebound by 2.5% in 2010 as global economy is expected to recover gradually. This will be followed by a strong 6.5% growth in 2011 boosted by New Zealand hosting the Rugby World Cup event. For the rest of forecast period a sound growth level of 3.4% per year is expected.

At the market level performance will vary considerably over the next seven years. The largest visitor growth is expected to come from Australia (up 230,000 or 24%) and China (up 70,000 or 63%). These two markets will contribute two-thirds of the expected total increase in visitors. Other mature key markets will contribute more modest growth including the USA (up 20,000 or 9%), Germany (up 9,000 or 15%), South Korea (up 8,000 or 9%), Canada (up 8,000 or 16%) and UK (up 7,000 or 2%). The Japan market is forecast to decrease slightly. The rest of the world markets are forecast to increase by 113,000 or 18%.

Visitor numbers from our largest market, Australia, are expected to reach 1.2 million in 2015, comprising 42% share of total international visitors, up from 40% in 2008.

Domestic trips - are forecast to increase from 51.1 million in 2008 to 53.7 million in 2015, up by 2.6 million or 5.1%, averaging 0.7% per annum. The growth will be driven by an additional 0.6 million overnight trips (up 3.6%) and 2.0 million day trips (up 5.9%).

Visitor nights - are forecast to increase from 102 million in 2008 to 111 million in 2015, up by 8.7 million or 8.5%, averaging 1.2% per annum. The growth will be driven by an additional 7.0 million international visitor nights (up 14.4% from 48.7 to 55.8 million) and 1.6 million domestic visitor nights (up 3.1% from 53.3 to 55.0 million).

Visitor spend - is forecast to increase from \$14.0 billion in 2008 to \$18.1 billion in 2015, up by \$4.1 billion or 29.6%, averaging 3.8% per annum. The growth will be driven by an additional \$2.3 billion international visitor spend (up 38.1% from \$5.9b to \$8.2b) and \$1.9 billion domestic visitor spend (up 23.3% from \$8.1b to \$9.9b).

Outbound travel by New Zealand residents - is forecast to increase from 1.97 million in 2008 to 2.23 million in 2015, an increase of 262,000 or 13.3%, averaging 1.8% per annum.

Further details of these forecasts are available in report as well as Excel *pivot tables* at: www.tourismresearch.govt.nz/forecasts

Table 7 Tourism Forecasts, 2009-2015

YEAR ENDED DECEMBER	Actual				Forecast				Growth 2008-2015		
	2008(1)	2009	2010	2011	2012	2013	2014	2015	Change	Total	Annual
International Visitors (000)	2,447	2,344	2,402	2,557	2,620	2,714	2,807	2,902	455	18.6%	2.5%
Domestic Trips (000) (2)	51,094	51,770	52,481	52,878	53,065	53,244	53,469	53,692	2,598	5.1%	0.7%
Overnight Trips (000)	17,998	18,381	18,799	18,903	18,821	18,732	18,688	18,642	644	3.6%	0.5%
Day Trips (000)	33,096	33,389	33,682	33,975	34,244	34,512	34,781	35,050	1,954	5.9%	0.8%
Visitor Nights (000)	102,069	99,793	101,944	105,208	106,018	107,471	109,073	110,748	8,679	8.5%	1.2%
International (000)	48,729	45,320	46,247	49,309	50,441	52,178	53,931	55,761	7,031	14.4%	1.9%
Domestic (000)	53,339	54,474	55,697	55,899	55,577	55,293	55,142	54,987	1,648	3.1%	0.4%
Visitor Expenditure (\$million)	14,005	14,027	14,710	15,539	16,084	16,748	17,438	18,150	4,145	29.6%	3.8%
International (000) (3)	5,947	5,833	6,098	6,650	6,964	7,365	7,778	8,215	2,268	38.1%	4.7%
Domestic (000) (4)	8,058	8,194	8,612	8,889	9,120	9,383	9,660	9,935	1,877	23.3%	3.0%
NZ Outbound Trips (000)	1,965	1,890	1,870	1,959	2,060	2,119	2,173	2,228	262	13.3%	1.8%

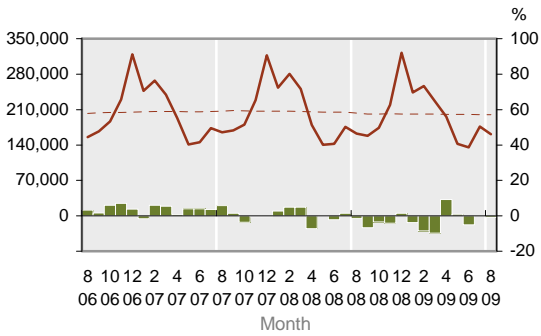
(1) Actual for base year. (2) Figures for domestic visitors in this table refer to all ages (differ to Table 5 which refers to aged 15+).

(3) Refers to spend in NZ, excluding international airfares. (4) Excludes some travel expenditure by government and business sectors.

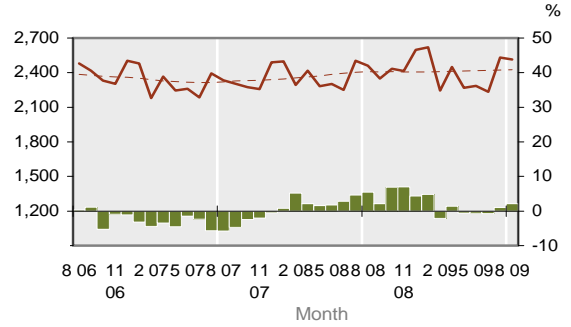
TRENDS AND PATTERNS

1. Inbound Tourism

1.1 International Visitor Arrivals

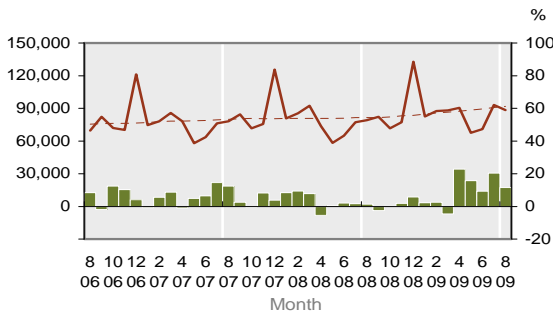


1.2 International Passenger Arrival Flights

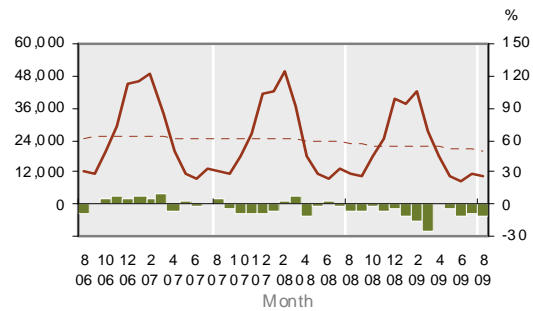


Major Sources

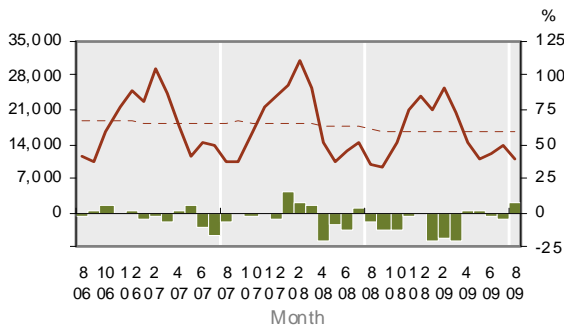
1.3 Visitors from - Australia



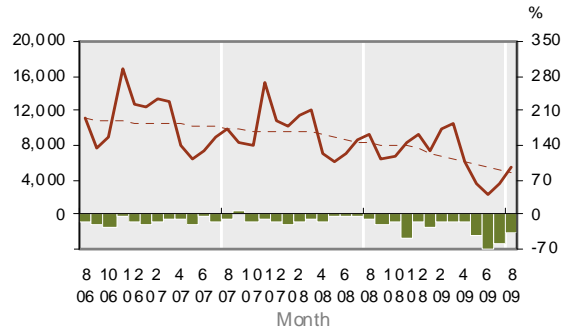
1.4 Visitors from - UK



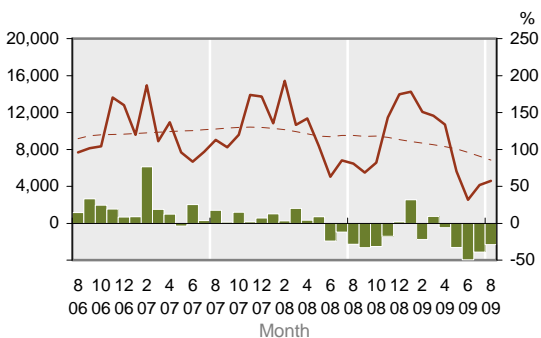
1.5 Visitors from - USA



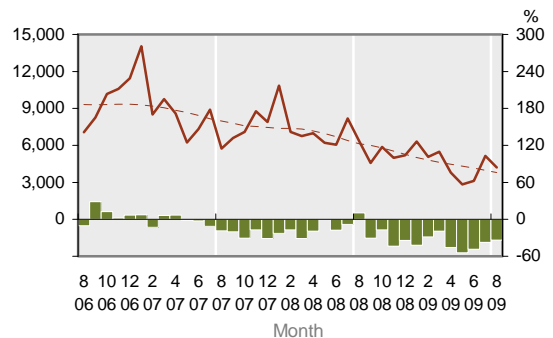
1.6 Visitors from - Japan



1.7 Visitors from - China



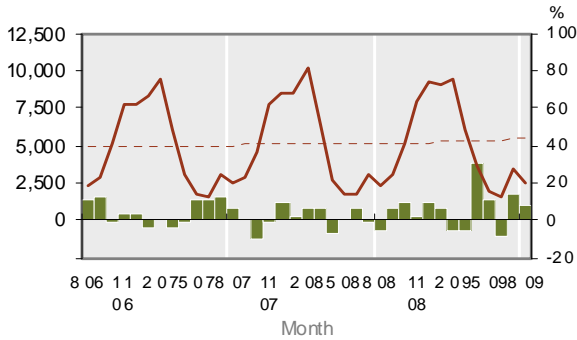
1.8 Visitors from - South Korea



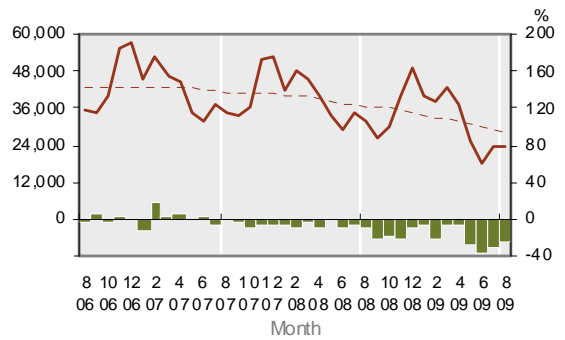
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

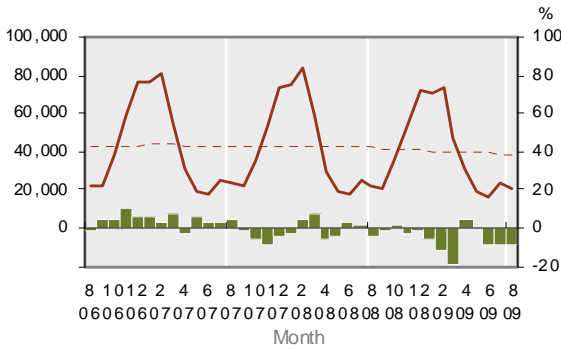
1.9 Visitors from - Germany



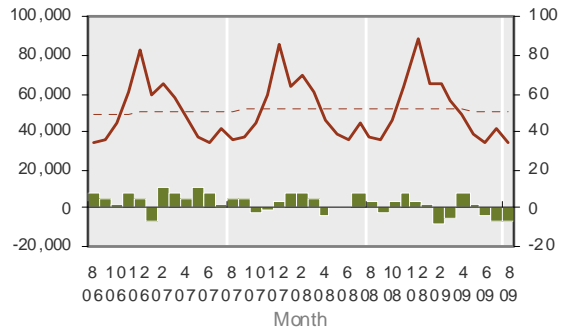
1.10 Visitors from - Asia



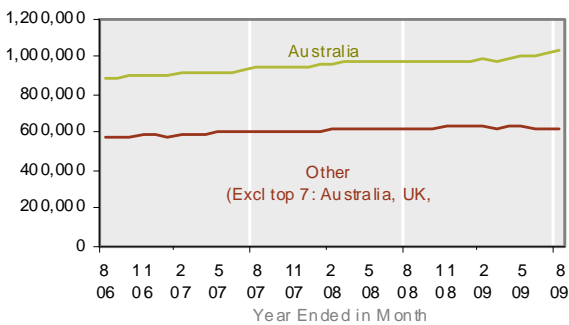
1.11 Visitors from - Europe



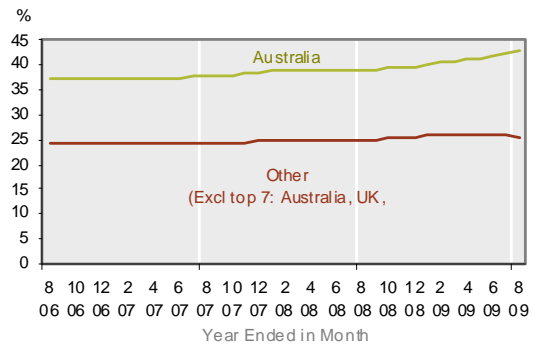
1.12 Visitors from - Other



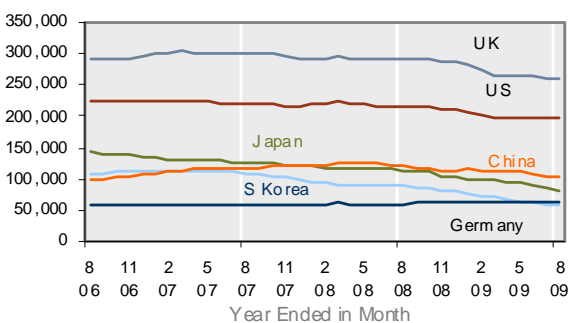
1.13 Visitors by Major Source



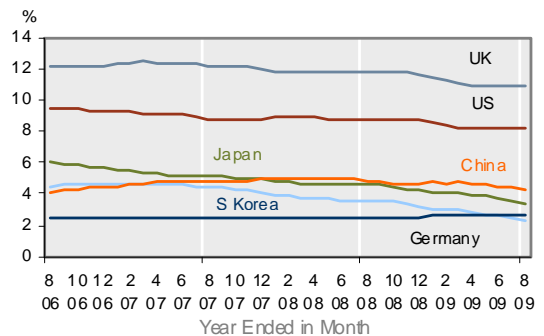
1.14 Share of Total International Visitors (%)



1.15 Visitors by Major Source



1.16 Share of Visitors by Major Source (%)

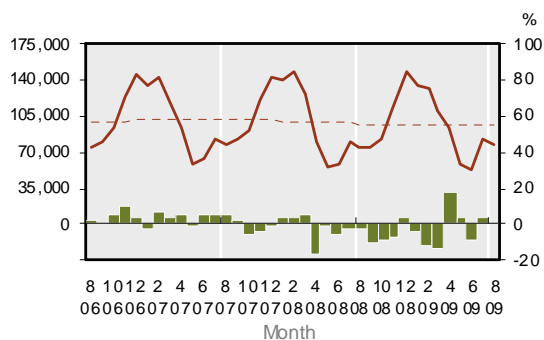


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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

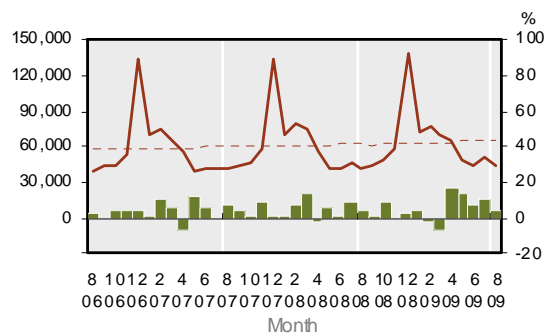
TRENDS AND PATTERNS

Purpose of Visits

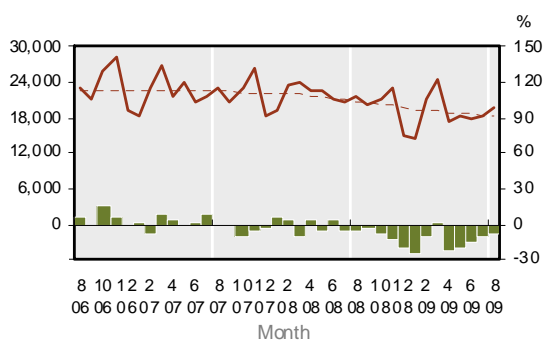
1.17 International Visitors - Holiday



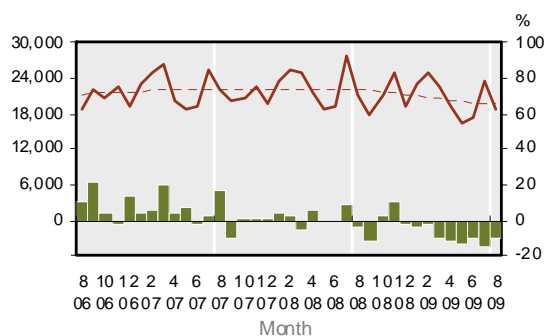
1.18 International Visitors - VFR



1.19 International Visitors - Business



1.20 International Visitors - Other

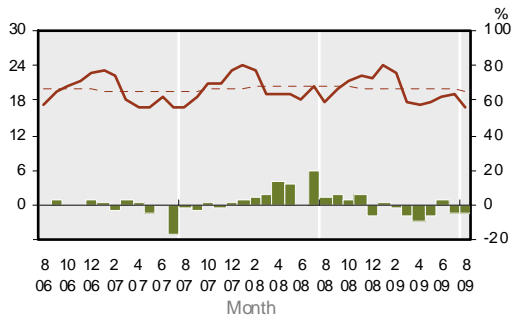


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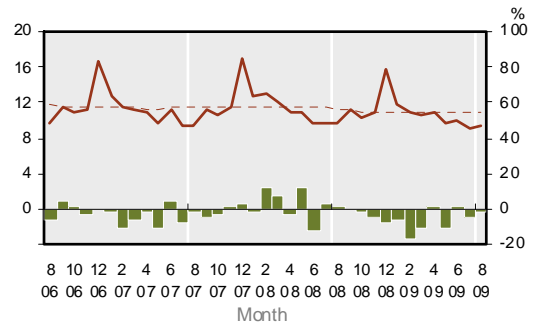
TRENDS AND PATTERNS

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

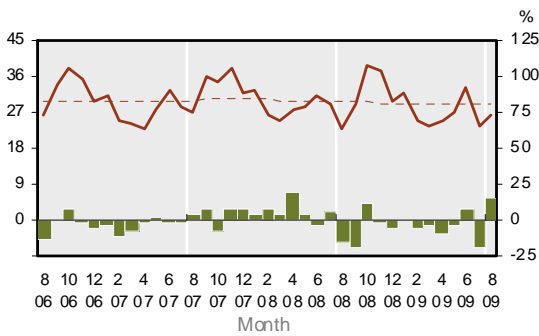
1.21 Average Days of Stay by Visitors



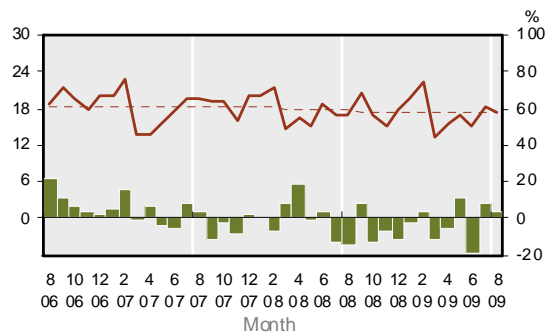
1.22 Average Days Stayed - Australian Visitors



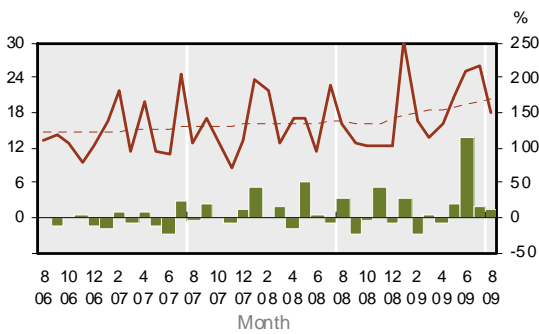
1.23 Average Days Stayed - UK Visitors



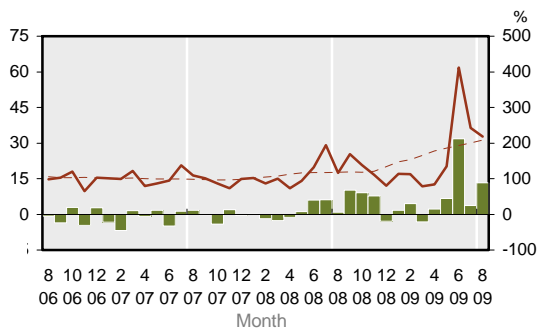
1.24 Average Days Stayed - US Visitors



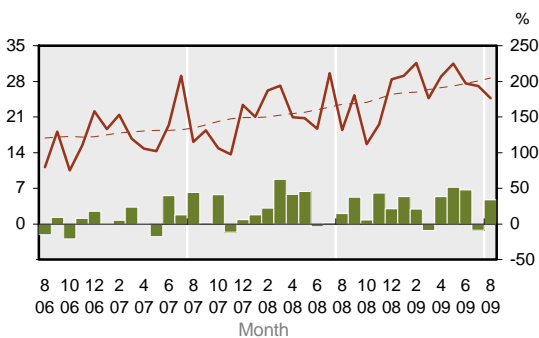
1.25 Average Days Stayed - Japanese Visitors



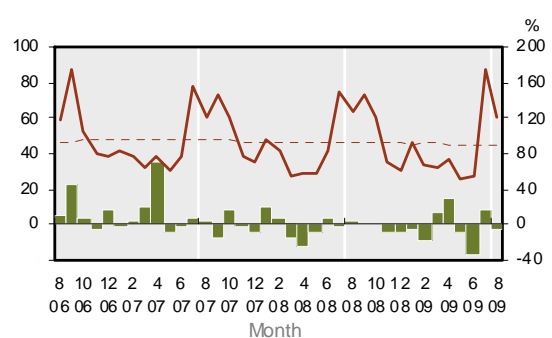
1.26 Average Days Stayed - Chinese Visitors



1.27 Average Days Stayed - S Korea Visitors



1.28 Average Days Stayed - German Visitors



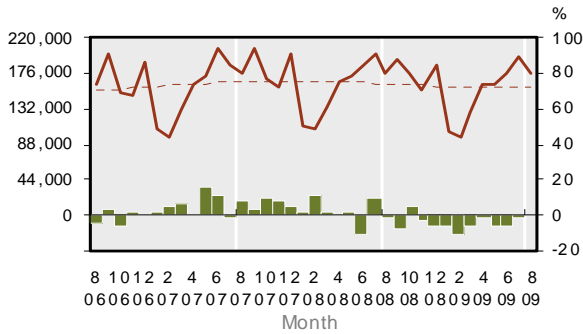
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

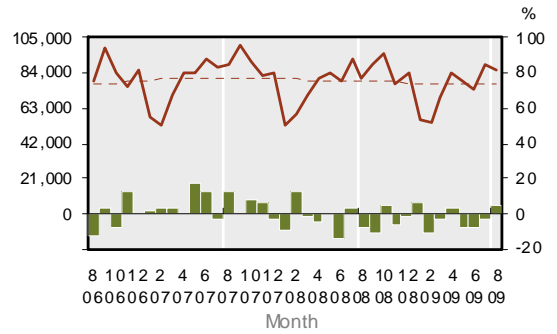
2. Outbound Tourism

Major Destinations

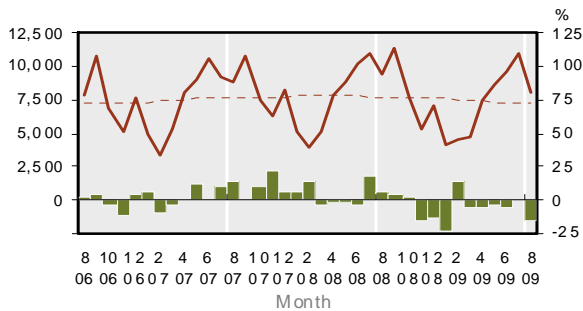
2.1 NZer Trips Abroad



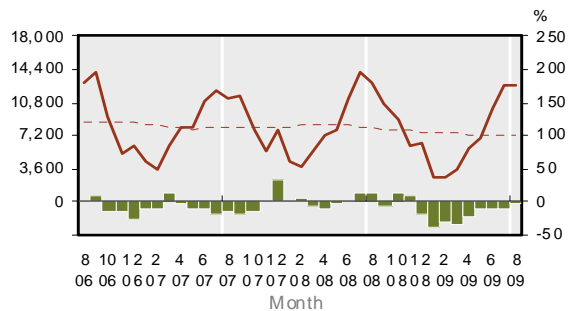
2.2 NZer Trips to - Australia



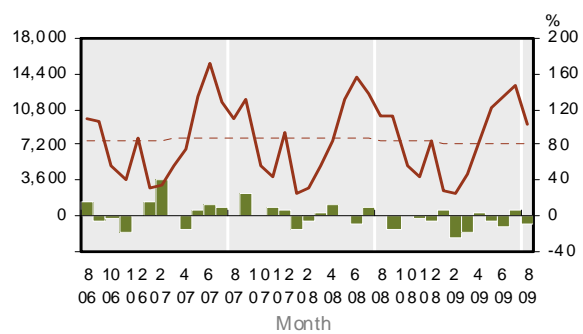
2.3 NZer Trips to - USA



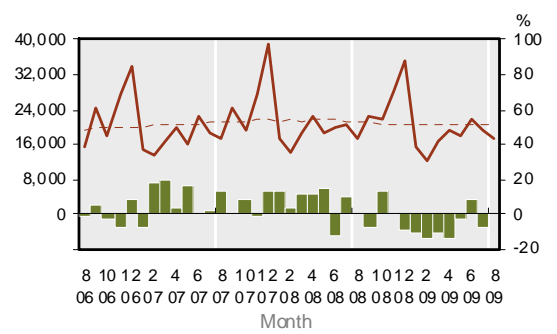
2.4 NZer Trips to - Fiji



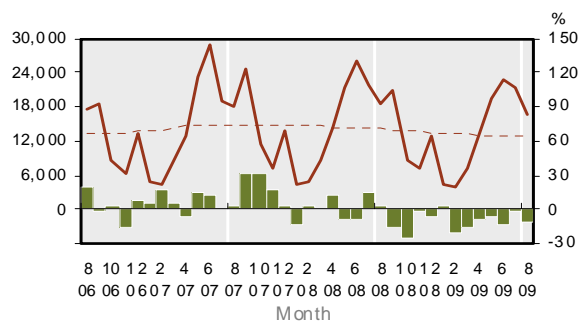
2.5 NZer Trips to - UK



2.6 NZer Trips to - Asia



2.7 NZer Trips to - Europe

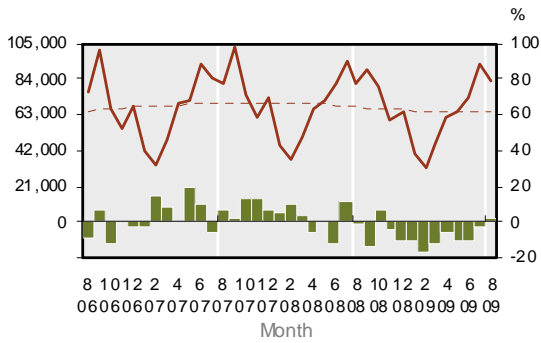


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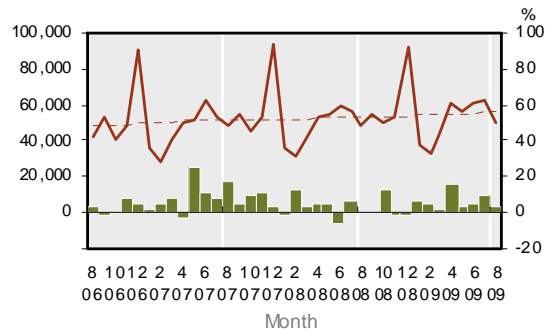
TRENDS AND PATTERNS

Purpose of Trips Abroad

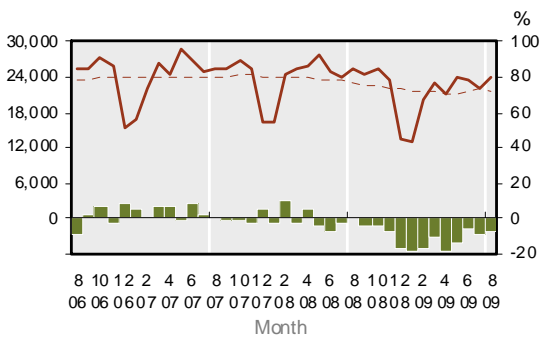
2.8 NZer Trips Abroad - Holiday



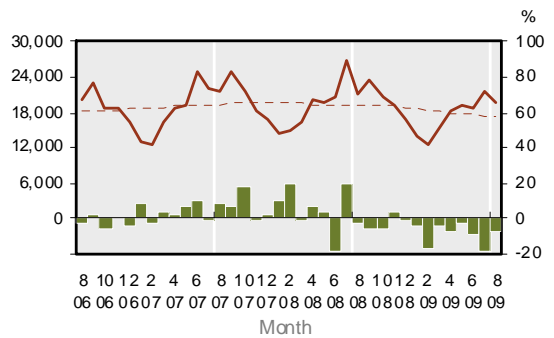
2.9 NZer Trips Abroad - VFR



2.10 NZer Trips Abroad - Business



2.11 NZer Trips Abroad - Other



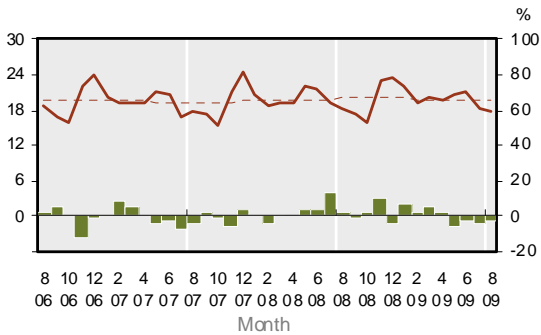
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TRENDS AND PATTERNS

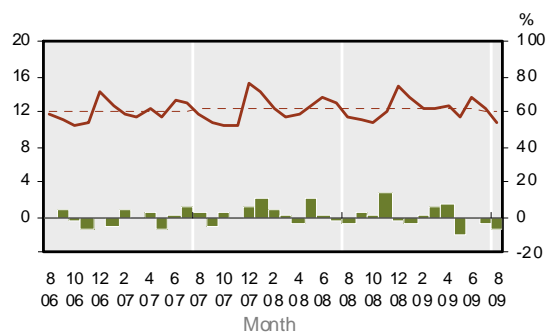
Length of Trips Abroad

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.

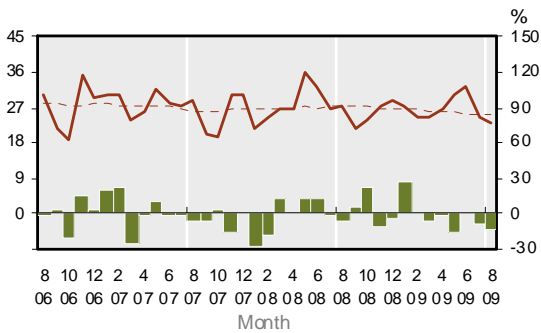
2.12 Average Days Abroad



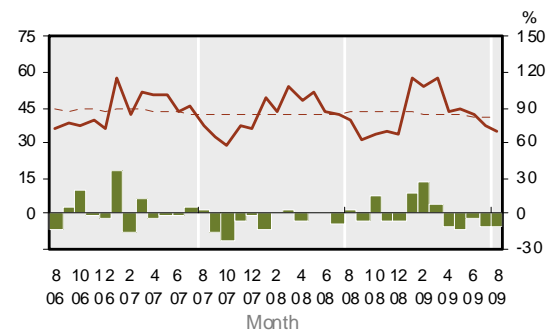
2.13 NZers Average Days Abroad - Australia



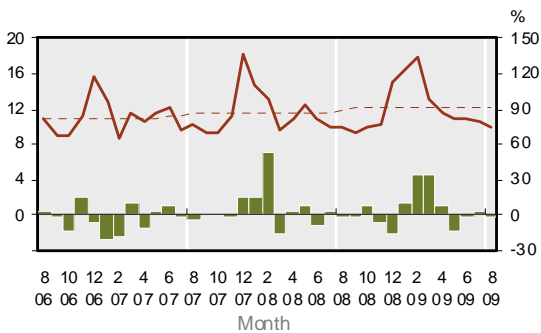
2.14 NZers Average Days Abroad - US



2.15 NZers Average Days Abroad - UK



2.16 NZers Average Days Abroad - Fiji

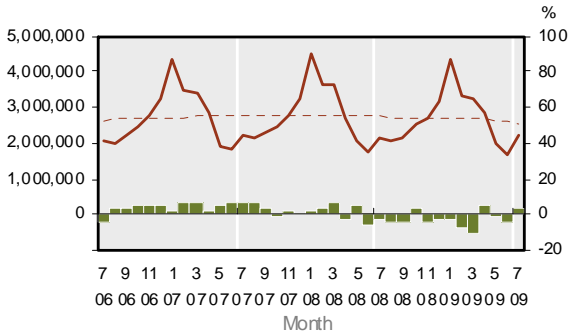


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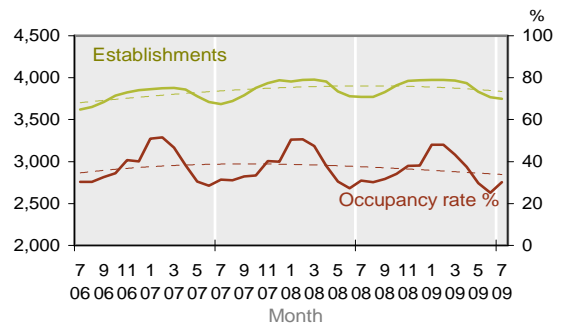
TRENDS AND PATTERNS

3. Commercial Accommodation

3.1 Total Guest Nights

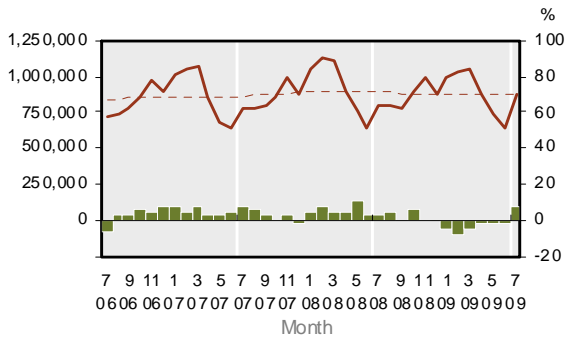


3.2 Total Establishments and Occupancy

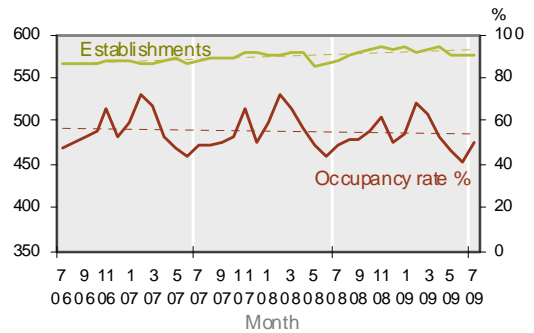


Guest Nights by Accommodation Type

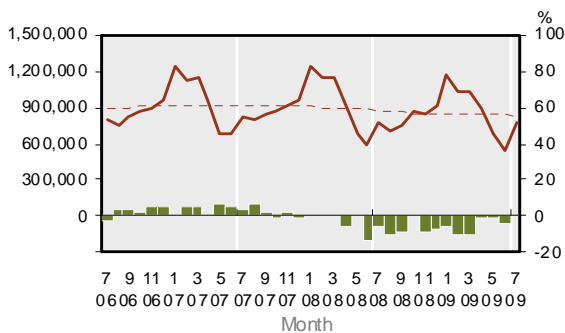
3.3 Hotel Guest Nights



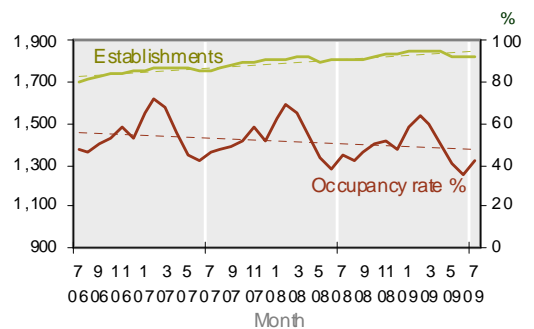
3.4 Hotels and Occupancy



3.5 Motel Guest Nights



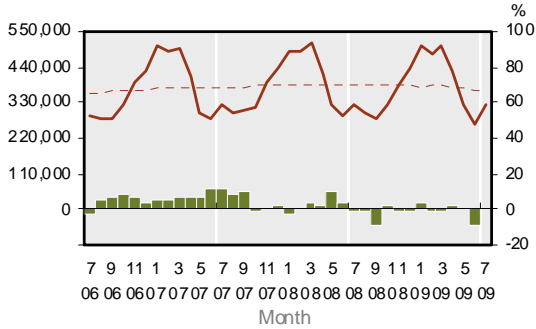
3.6 Motels and Occupancy



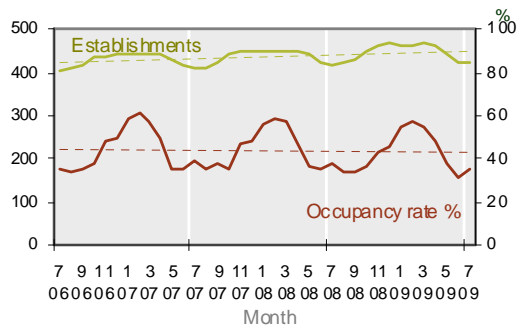
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TRENDS AND PATTERNS

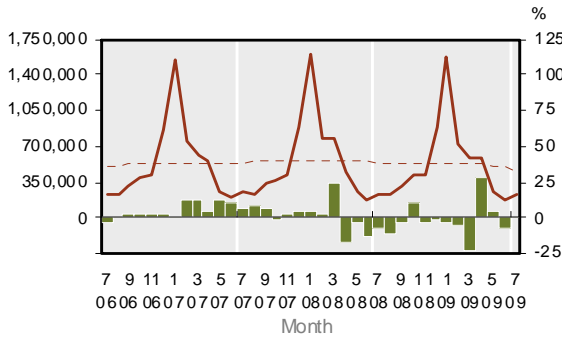
3.7 Backpacker Guest Nights



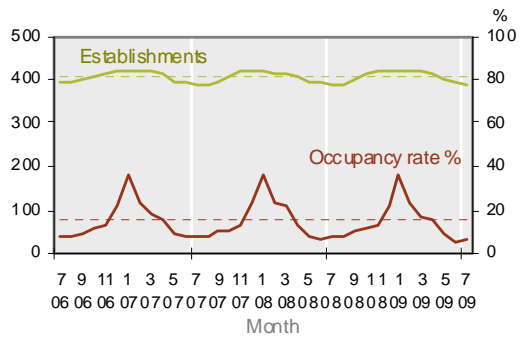
3.8 Backpackers and Occupancy



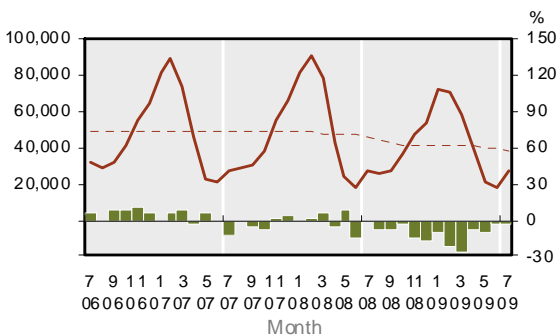
3.9 Caravan/Camping Guest Nights



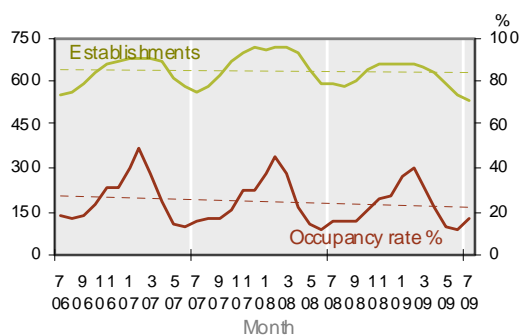
3.10 Caravan/Camping Est. and Occupancy



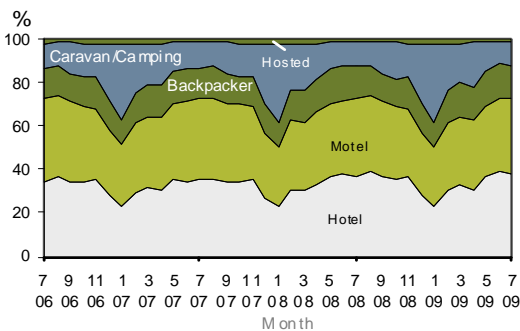
3.11 Hosted Guest Nights



3.12 Hosted and Occupancy



3.13 Share of Guest Nights by Establishment

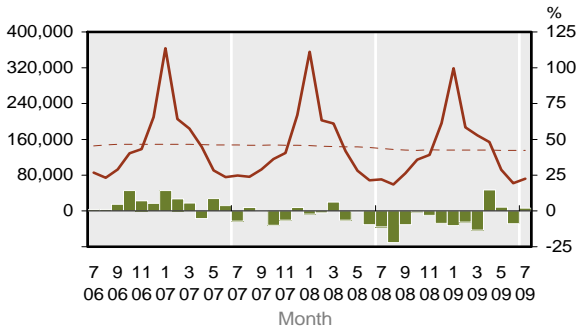


KEY:
 Solid line (brown) – show statistics described by the graph title (left scale).
 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

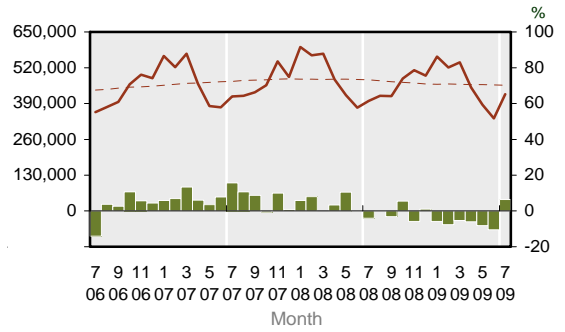
TRENDS AND PATTERNS

Guest Nights by Regional Tourism Organisation and District

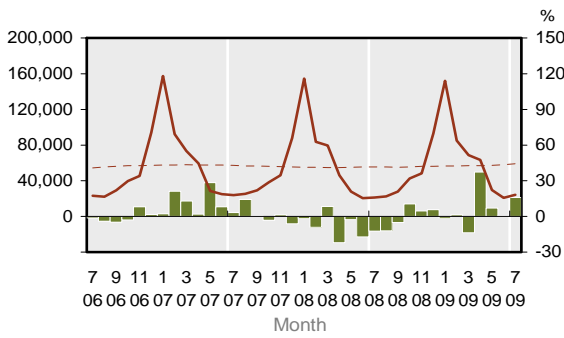
3.14 Northland RTO Guest Nights



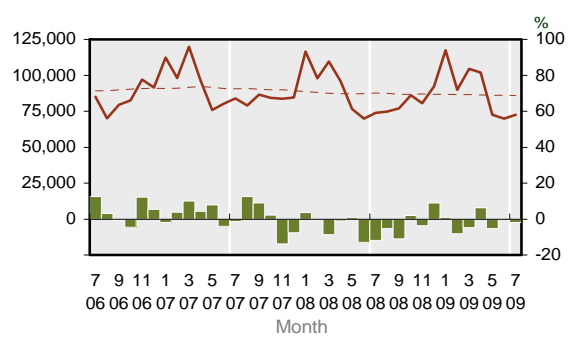
3.15 Auckland RTO Guest Nights



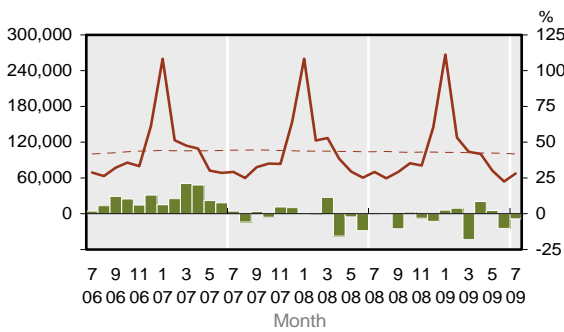
3.16 Coromandel RTO Guest Nights



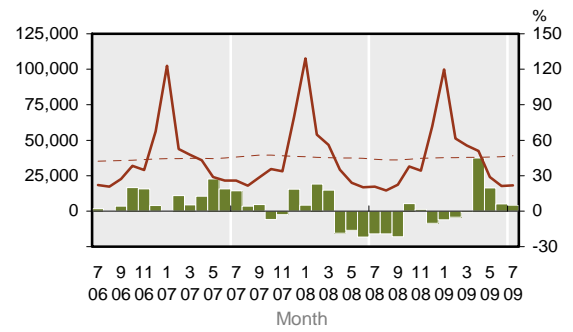
3.17 Waikato RTO Guest Nights



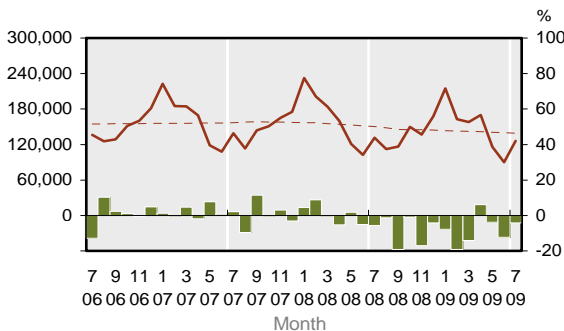
3.18 Bay of Plenty RTO Guest Nights



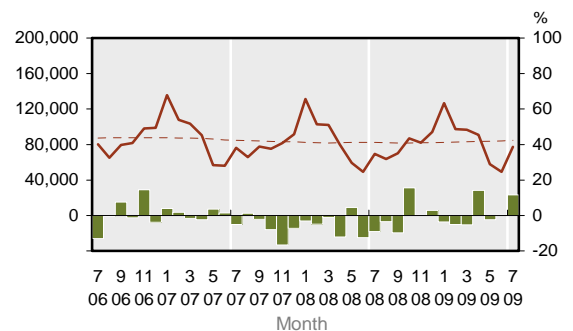
3.19 Eastland RTO Guest Nights



3.20 Rotorua RTO Guest Nights



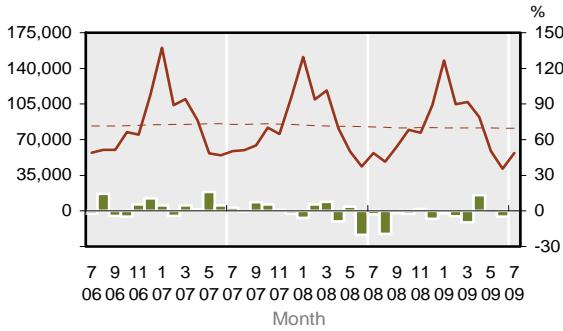
3.21 Lake Taupo RTO Guest Nights



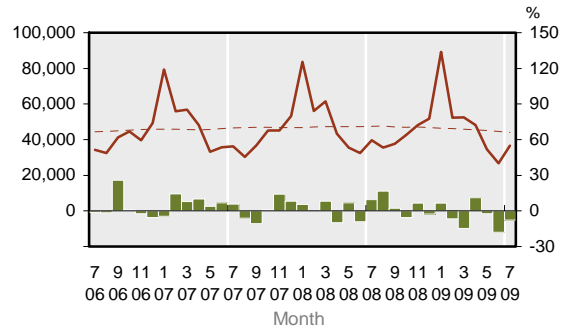
KEY:
 Solid line (brown) – show statistics described by the graph title (left scale).
 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

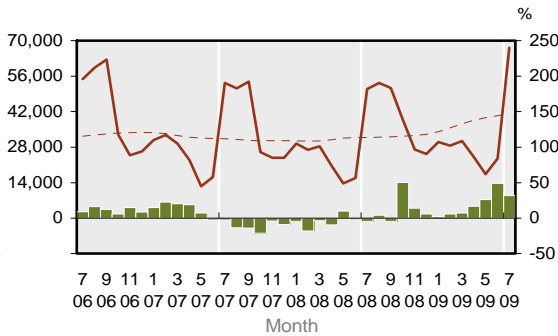
3.22 Hawke's Bay RTO Guest Nights



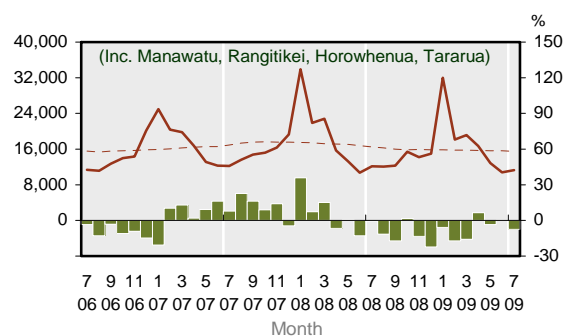
3.23 Taranaki RTO Guest Nights



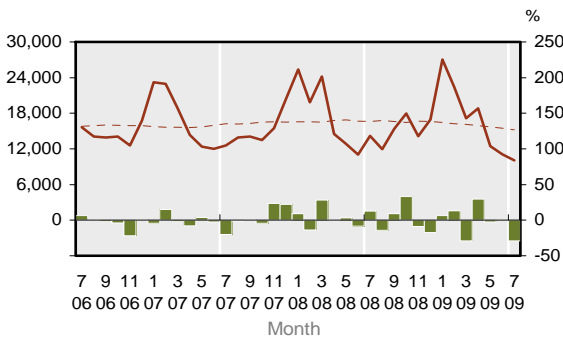
3.24 Ruapehu RTO Guest Nights



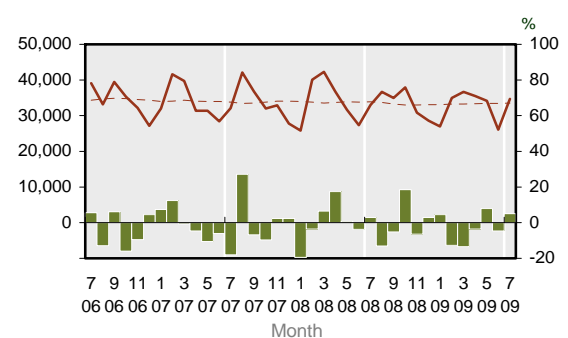
3.25 Combined Manawatu Guest Nights



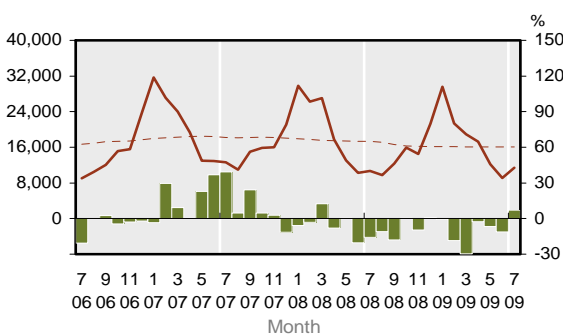
3.26 Wanganui District Guest Nights



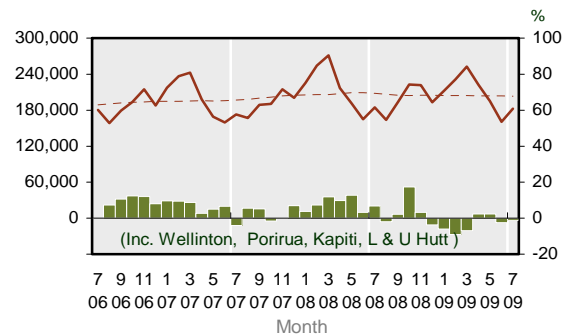
3.27 Palmerston North City Guest Nights



3.28 Wairarapa RTO Guest Nights



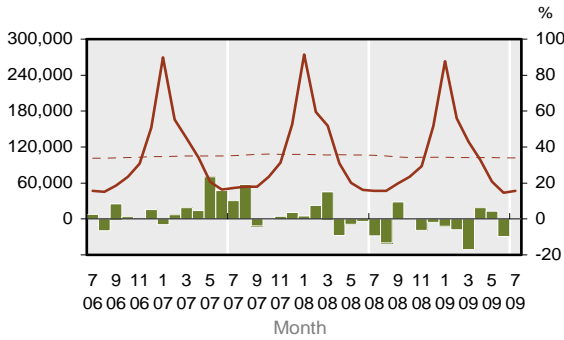
3.29 Wellington Region Guest Nights



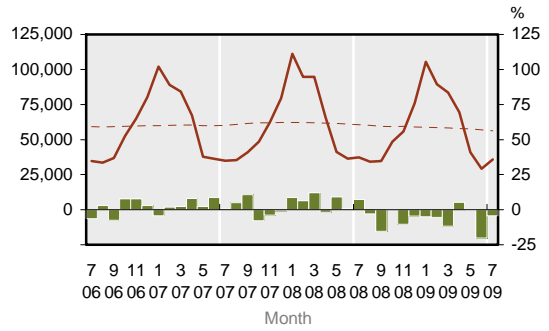
KEY:
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

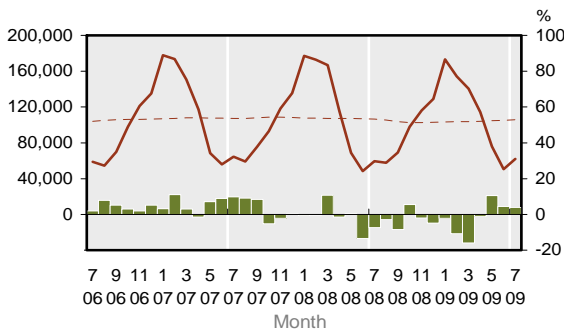
3.30 Nelson RTO Guest Nights



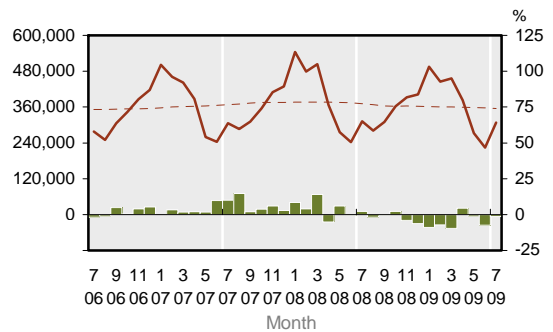
3.31 Marlborough RTO Guest Nights



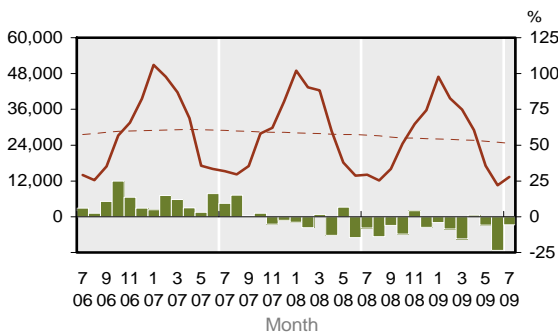
3.32 West Coast RTO Guest Nights



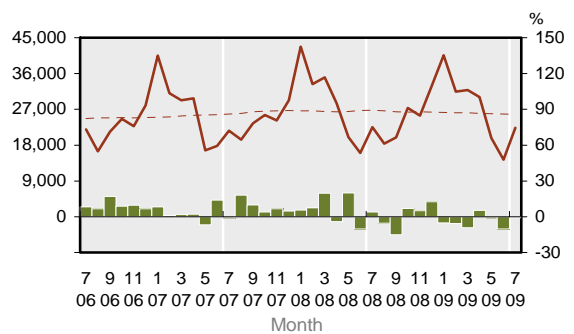
3.33 Canterbury Guest Nights



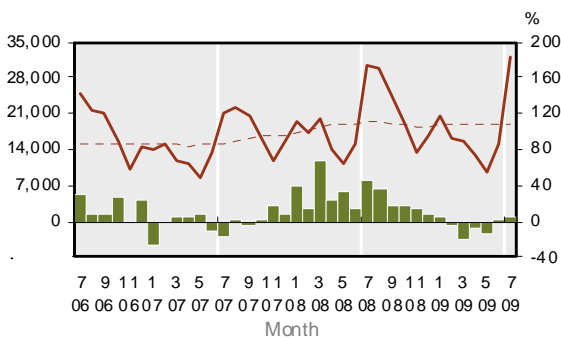
3.34 Kaikoura District Guest Nights



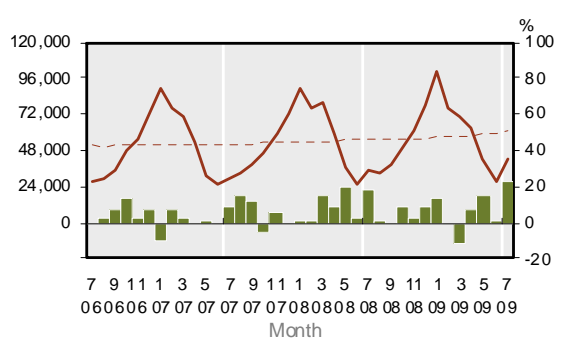
3.35 Hurunui RTO Guest Nights



3.36 Ashburton District Guest Nights



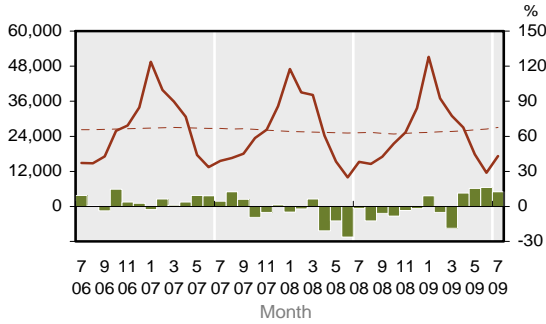
3.37 Mackenzie-Timaru Guest Nights



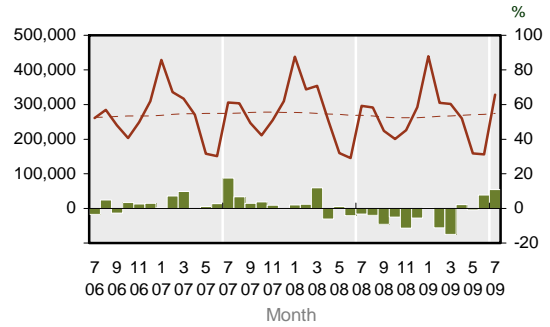
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

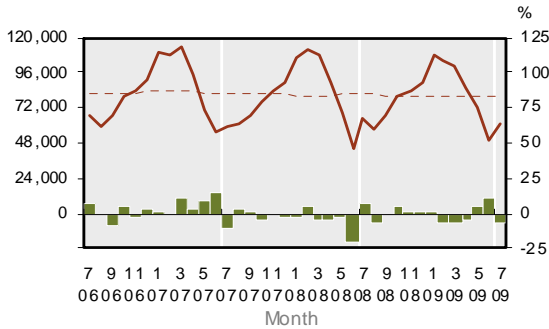
3.38 Waitaki-Waimate Guest Nights



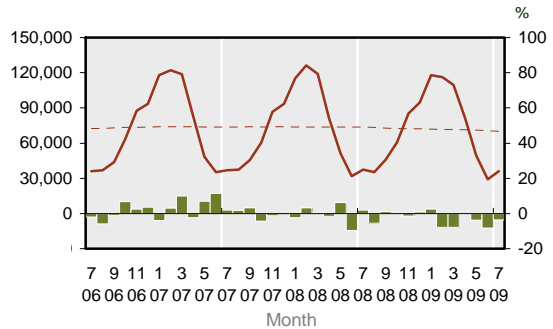
3.39 Queenstown Lakes - Central Otago Guest Nights



3.40 Dunedin - Clutha Guest Nights

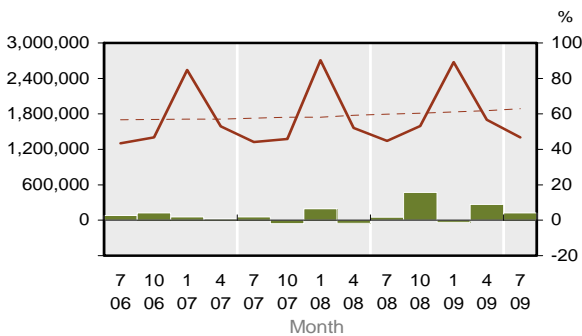


3.41 Southland Region Guest Nights

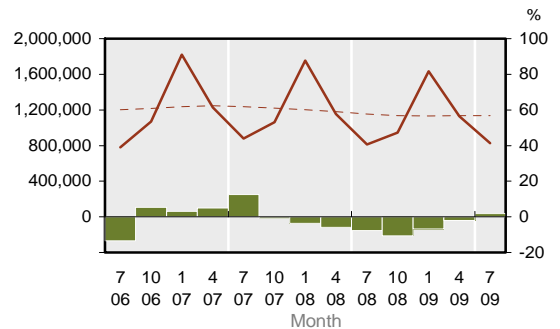


International and Domestic Guest Nights

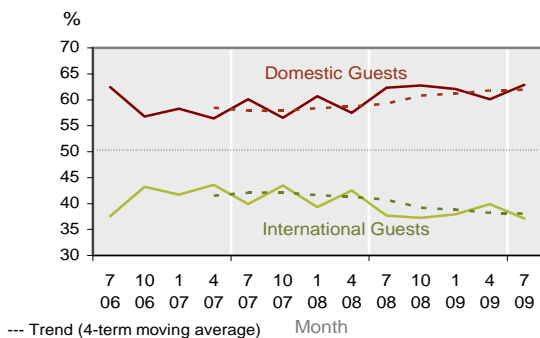
3.42 Domestic Guest Nights



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, 2009-2015 (Summary Document)*
 - *New Zealand Regional Tourism Forecasts, 2009-2015*
(Note: new regional forecasts 2009-2015 will be released in September 2009)

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