

# OUTBOUND TRAVEL BY NEW ZEALAND RESIDENTS

NEW ZEALAND | SERIES D1 | SEPTEMBER 2009



## INTRODUCTION

This report provides an overview of outbound travel by New Zealand residents, including trends and characteristics for the period 1999-2008.

Outbound travel refers to New Zealand residents who travel abroad (for less than one year) for holiday, business, visiting friends and relatives (VFR) and other reasons.

### World outbound travel market

In 2008, the world population was estimated at 6.75 billion. An estimated 924 million international trips were undertaken worldwide. Fifty three percent of all international trips were to a European destination, followed by Asia (19%), America (16%), Middle East (6%), Africa (5%) and Oceania (1%) (UNWTO) <sup>\*1</sup>.

### Air Services to New Zealand

New Zealand has 6 international airports that are served by 19 international airlines which fly between 33 overseas airports. In 2008, there were 29,100 flights departing from New Zealand, an average of 80 flights per day. The majority of the flights are to Australia (66%). The remaining flights are to Asia (17%), Pacific Islands (13%), America (8%), Middle East (5%) and Europe (3%).

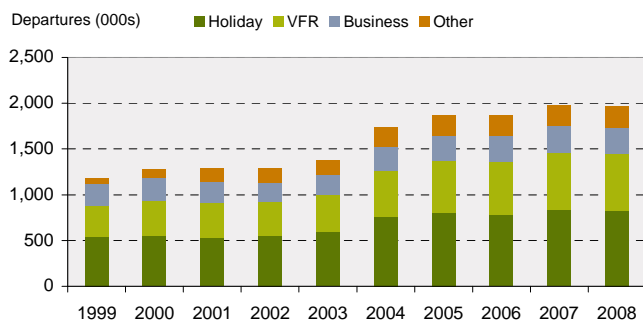
*Some flights call at more than one airport and may be counted in two regions.*

## NEW ZEALAND OUTBOUND TRAVEL TRENDS

### How many New Zealanders travel overseas?

In 2008, New Zealanders made 1.97 million outbound international trips. This is an increase of 66% from 1999 when 1.18 million New Zealanders travelled abroad, or an average annual growth rate of 5.8%. The biggest period of growth was between 2003 and 2004 where numbers of travellers increased by 26% (Figure 1).

Figure 1: New Zealand Departures by Main Purpose, 1999-2008<sup>\*2</sup>



In late 2003 there was a major capacity expansion in trans-Tasman airline services which increased seat availability and lowered prices. This resulted in a 24% increase in outbound travel to Australia in 2004. Total outbound travel increased from 1.37 million in 2003 to 1.73 million in 2004.

Holiday travellers, which made up 42% of all departures in 2008, have increased from 542,900 in 1999 to 820,100 in 2008. This is a 51% increase or an average annual growth rate of 4.7%.

VFR was the next largest purpose of travel, at 32% of all departures. Since 1999, VFR travellers have shown the biggest increase, from 334,400 in 1999 to 630,800 in 2008 (up 89%). The proportion of VFR departures increased from 28% to 32% over this period.

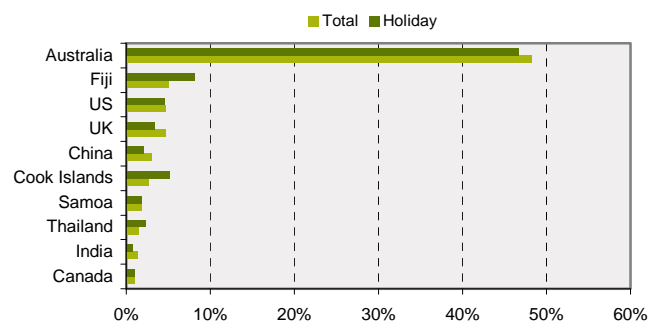
Business travellers made up 14% of all departures in 2008. The number of business travellers has increased from 243,400 in 1999 to 281,200 (up 16%).

In 2008, conference and education/medical travellers comprised 3% and 1% of all departures, respectively.

### Where are New Zealanders travelling to?

New Zealanders travel to over 150 countries as their main destination each year. In 2008, the majority of New Zealanders went to Australia (950,000 or 48%), followed by Fiji (99,300 or 5%), the United States (93,300 or 5%), the United Kingdom (92,800 or 5%), China (58,900 or 3%), the Cook Islands (53,500 or 3%), Samoa (37,700 or 2%), Thailand (29,900 or 2%), India (27,600 or 1%) and Canada (20,400 or 1%) (Figure 1). Seventy four percent of all departures were to these ten destinations.

Figure 2: Main Outbound Travel Destinations, 2008<sup>\*2</sup>



*Main destination refers to the country where the most time was spent in while overseas.*

In 2008, the most popular holiday destinations were Australia (47%), Fiji (8%), and the Cook Islands (5%) whereas most of the VFR travel was to Australia (49%), the United Kingdom (8%) and China (4%). The main business destinations were Australia (56%), the United States (6%) and China (4%).



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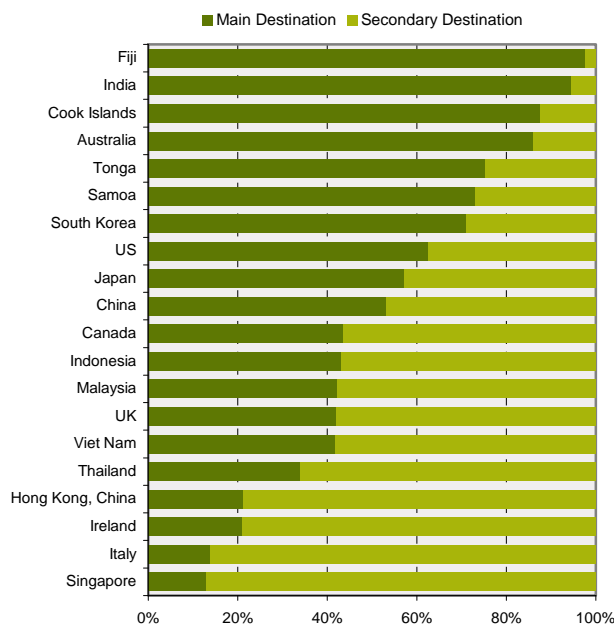
The number of New Zealanders travelling to Australia has increased by 329,600 or 53% between 1999 and 2008. This is an average annual growth rate of 4.9%. The next biggest increase was to China (up 47,400 or 413%), followed by the Cook Islands (up 39,600 or 285%) and Fiji (up 30,500 or 44%). The increase in New Zealanders travelling to China can largely be accounted by the freeing up of travel restrictions by the Chinese government and the growing interest in this destination.

### Dual destination travelling

When New Zealanders travel overseas they often visit more than one country. New Zealand outbound statistics capture the main travel destination. UNWTO inbound arrival statistics record New Zealand arrivals into each country.<sup>11</sup> Comparing these to New Zealand main destination data allow an estimate to be made of the secondary destinations of New Zealand travellers.

In 2007, 86% of the 1.14 million New Zealanders travelling to Australia reported it as their main destination. The majority of New Zealanders travelling to Fiji (98%), India (94%) and the Cook Islands (88%) visited these countries as their main travel destination. Conversely, New Zealanders tended to visit Singapore (13%), Italy (14%), Ireland (21%) and Hong Kong (21%) as secondary destinations (Figure 3).

Figure 3: Main and Secondary Travel Destinations, 2007<sup>12</sup>



Main destination refers to the country the traveller spends the most time on their overseas trip. Secondary destination refer to other countries visited on the trip

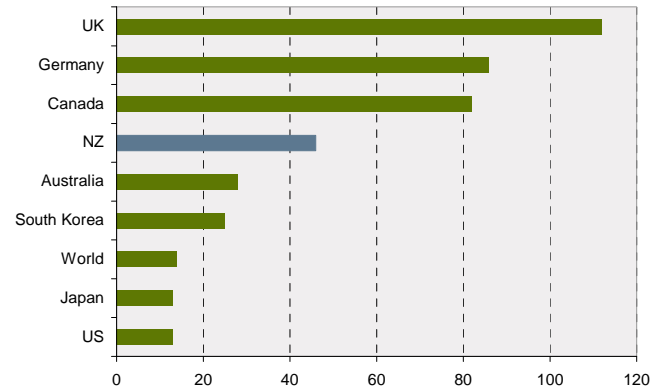
Short-haul destinations such as Australia and the Pacific are usually main destinations. Major 'hub' destinations such as Hong Kong and Singapore are more common as secondary destinations. The high secondary destination levels of European countries reflect the wide movement of New Zealanders within Europe.

### How does New Zealand outbound travel compare with outbound travel from other countries?

New Zealanders have a relatively high propensity to travel abroad, at 46 trips per 100 people in 2008, compared to an international average of 14 trips per 100 people. This is also higher than other island nations, where Australians had a propensity of 28 trips per 100 people, South Koreans at 25 trips per 100 people and Japanese at 13 trips per 100 people.

Residents of countries in closer proximity to others tended to have a higher propensity for international travel compared to New Zealanders. The United Kingdom propensity was 112 trips per 100 people, Germans at 86 per 100 people and Canadians at 82 per 100 people (Figure 4).

Figure 4: Propensity for International Travel by Country, 2008<sup>11</sup>

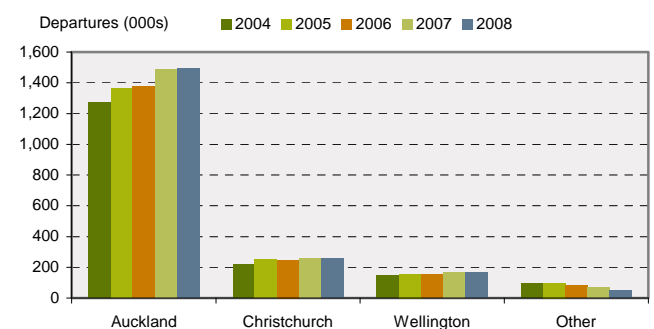


### Where do New Zealanders depart from?

In 2008, 99% of all New Zealand departures were by air. One percent of departures from New Zealand were by cruise or other sea vessel. The number of travellers departing New Zealand by sea has increased by 185% over the past five years from 7,500 in 2004 to 21,500 in 2008.

In 2008, 1.49 million or 76% of New Zealanders departed from Auckland airport, while 258,000 or 13% departed from Christchurch airport. A smaller number, 164,100 or 8% departed from Wellington airport (Figure 5). This pattern is very similar for holiday and VFR travellers. The pattern differs slightly for business travellers with 80% departing from Auckland, 11% from Christchurch and 9% from Wellington.

Figure 5: New Zealand Departures by Airport<sup>12</sup>



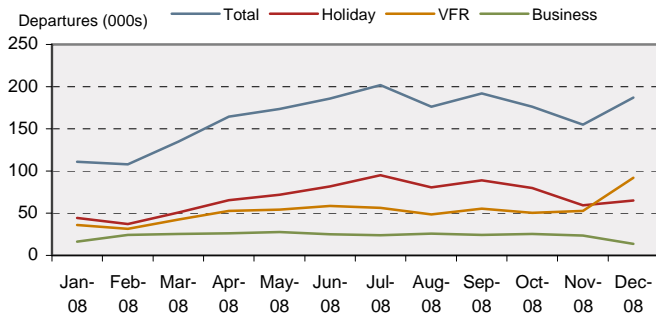
### What is the seasonal pattern of outbound travel?

June to September are the most popular months for New Zealanders to travel abroad, with 38% of all departures occurring during these months (Figure 6). December, due to the Christmas holiday period, is also a popular month for travel, with 10% of all departures occurring then. January through to March are the weakest months, and this pattern is very similar for holiday travellers.

Family visits over the Christmas season makes December the most popular month for VFR departures, with 15% of all VFR travellers departing in this month. Business departures are relatively consistent during the year, with the exception of December and January, which are the summer holiday months.

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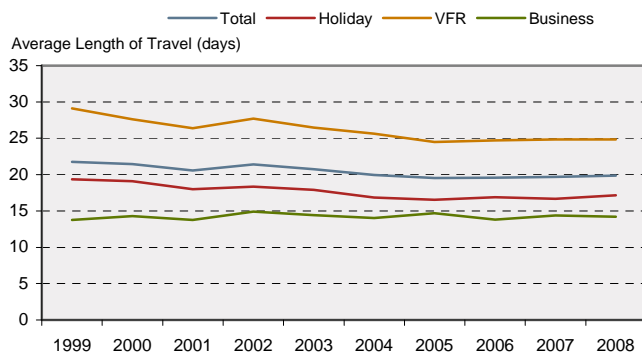
Figure 6: New Zealand Departures by Month and Purpose of Travel, 2008<sup>2</sup>



### How long do New Zealanders go overseas for?

The average length of absence for New Zealanders travelling abroad in 2008 was 19.9 days, which has decreased from 1999 at 21.8 days. The average length of absence for holiday travellers was slightly lower at 17.2 days. VFR travellers left for an average of 24.8 days and business travellers for an average of 14.2 days (Figure 7).

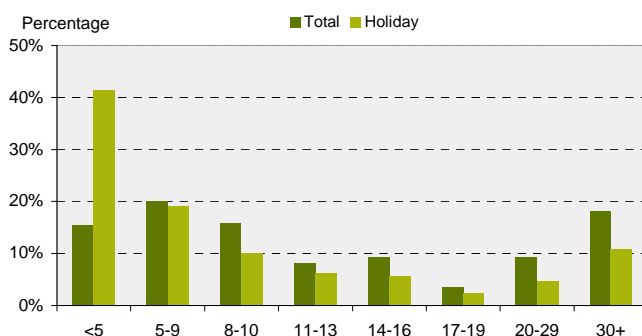
Figure 7: Average Length of Travel of New Zealand Departures, 1999-2008<sup>2</sup>



The median length of absence, which more typically represents the time New Zealanders spend overseas, is shorter. The median length of absence in 2008 for all departures was 10 days. This compares with 10 days for holiday travellers, 15 days for VFR and 6 days for business travellers.

Figure 8 shows the length of absence for all New Zealand travellers and holiday travellers. More than half of all departures (52%) and holiday departures (55%) leave for ten days or less. Thirty seven percent of all VFR departures leave for ten days or less, while 40% travel for longer than 20 days. Seventy percent of all business departures leave for ten days or less.

Figure 8: Length of Absence Patterns of New Zealand Departures, 2008<sup>2</sup>



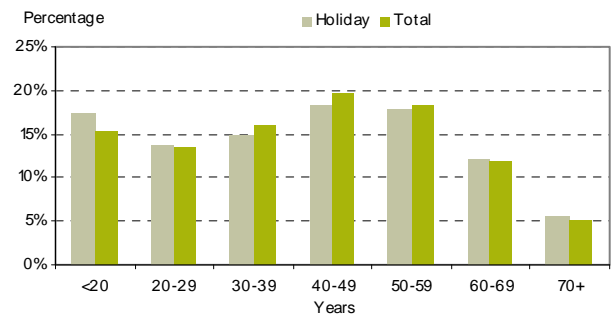
## CHARACTERISTICS OF OUTBOUND TRAVEL

### What is the age profile of New Zealanders travelling overseas?

In 2008, those aged 30-59 years accounted for over 50% of all travellers, comprising 30-39 years (16%), 40-49 years (20%) and 50-59 years (18%). Only 5% of all travellers were seventy years or older (Figure 9).

Those aged under 20 years, 40-49 years and 50-59 years feature strongly in the holiday category at 18% each. Thirty two percent of business travellers were aged 40-49 years, followed by those aged 30-39 years (24%) and 50-59 years (22%). VFR travel is spread relatively evenly across the age categories.

Figure 9: New Zealand Departures by Age, 2008<sup>2</sup>



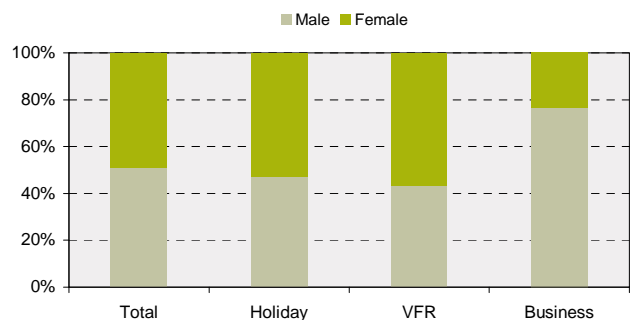
The age group which has shown the fastest rate of growth over the last ten years is those aged 60-69 years (up 131%). This was followed by those aged 70 years or older (up 81%) and under 20 years (up 80%).

The propensity for New Zealanders to travel is highest amongst the 30-69 year old age group. In 2008, 69 overseas trips were taken per 100 New Zealanders aged 50-59 years. This was followed by those aged 40-49 years and 60-69 years (61 trips per 100 people), 30-39 years (54 trips per 100 people), 20-29 years (47 trips per 100 people), 70 years or older (27 trips per 100 people) and less than 20 years (25 trips per 100 people).

### What is the gender split of New Zealanders travelling overseas?

In 2008, the gender split of New Zealanders travelling overseas was 51% male and 49% female. Females outnumber males in the holiday (53% to 47%) and VFR (57% to 43%) segments. Business travellers are predominantly males (76%), which contributes to the higher proportion of males for all departures (Figure 10).

Figure 10: New Zealand Departures by Gender, 2008<sup>2</sup>



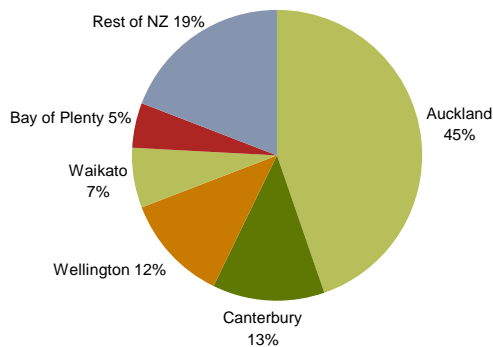
### Where do New Zealand travellers live?

New Zealanders living in the Auckland region made up 45% of all departures in 2008. This was followed by those living in the

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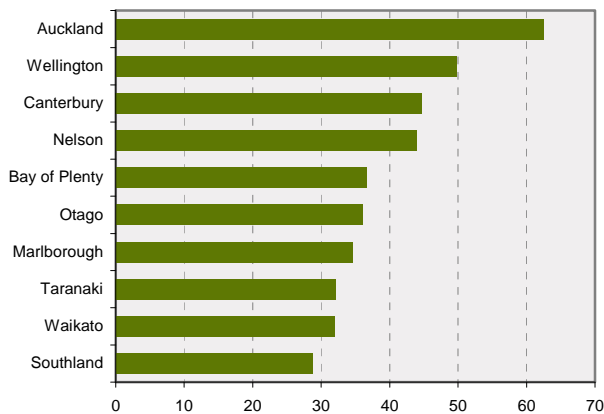
Canterbury (13%), Wellington (12%), Waikato (7%) and Bay of Plenty (5%) regions (Figure 11).

Figure 11: Region of Origin of New Zealand Departures, 2008<sup>\*2</sup>



Auckland residents had the highest propensity to travel overseas, at 62 trips per 100 people. This was followed by Wellington (50 trips per 100 people), Canterbury (45 trips per 100 people), Nelson (44 trips per 100 people) and Bay of Plenty (37 trips per 100 people) (Figure 12).

Figure 12: Propensity for International Travel by Region of Origin, 2008<sup>\*2</sup>



Auckland residents are less likely to visit Australia than other New Zealand residents and more likely to visit the Pacific Islands and North East Asia. This is likely due to the diverse ethnic population the Auckland region and the proximity to Auckland international airport.

### How much do New Zealand travellers spend overseas?

In 2008, New Zealanders spent a total of NZ\$4.21 billion overseas. This was an increase of \$1.51 billion or 56% from 1999<sup>\*3</sup>.

New Zealanders spent on average NZ\$2,142 per trip and NZ\$108 per day. This has remained relatively unchanged since 1999. Note that all references to spend exclude international airfares.

Table 1: New Zealand Outbound Travel Trends<sup>\*1</sup>

New Zealand DEPARTURES <sup>*2</sup>	2003	2004	2005	2006	2007	2008
<b>Total</b>	1,374,000	1,730,000	1,868,000	1,861,000	1,978,000	1,965,000
<b>Holiday</b>	596,000	756,000	805,000	784,000	837,000	820,000
<b>VFR</b>	409,000	510,000	566,000	576,000	621,000	631,000
<b>Business</b>	214,000	252,000	277,000	282,000	289,000	281,000
<b>Other</b>	155,000	212,000	221,000	219,000	231,000	233,000

Table 2: Main Outbound Travel Destinations, 2008<sup>\*1</sup>

OUTBOUND DESTINATIONS <sup>*2</sup>	Holiday	VFR	Business	Total <sup>*</sup>
<b>Australia</b>	383,000	311,000	158,000	950,000
<b>Fiji</b>	67,000	17,000	7,000	99,000
<b>US</b>	38,000	24,000	17,000	93,000
<b>UK</b>	28,000	50,000	9,000	93,000
<b>China</b>	17,000	25,000	10,000	59,000
<b>Cook Islands</b>	43,000	6,000	2,000	53,000
<b>Samoa</b>	16,000	14,000	3,000	38,000
<b>Thailand</b>	19,000	4,000	3,000	30,000
<b>India</b>	7,000	16,000	2,000	28,000
<b>Canada</b>	9,000	8,000	2,000	20,000
<b>Hong Kong</b>	7,000	7,000	4,000	20,000
<b>Japan</b>	6,000	7,000	4,000	19,000
<b>Malaysia</b>	6,000	7,000	3,000	18,000
<b>Tonga</b>	7,000	7,000	2,000	17,000
<b>South Korea</b>	3,000	8,000	2,000	15,000

Table 3: Length of Absence, 2008<sup>\*1</sup>

LENGTH OF ABSENCE <sup>*2</sup>	Holiday	VFR	Business	Total <sup>*</sup>
<b>&lt; 5 Days</b>	81,000	61,000	116,000	305,000
<b>5-7 Days</b>	203,000	89,000	54,000	395,000
<b>8-10 Days</b>	166,000	81,000	28,000	312,000
<b>11-13 Days</b>	81,000	45,000	17,000	161,000
<b>14-16 Days</b>	78,000	72,000	16,000	184,000
<b>17-19 Days</b>	27,000	28,000	7,000	69,000
<b>20-29 Days</b>	68,000	84,000	13,000	183,000
<b>30 or More Days</b>	115,000	170,000	30,000	356,000
<b>Average (Days)</b>	17.17	24.8	14.19	19.9
<b>Median (Days)**</b>	10	15	6	10

\* Total includes all other categories

\*\* Half of the visitors stayed longer and half stayed less than the median

#### DATA SOURCES

<sup>\*1</sup> UNWTO: ITM: United Nations World Tourism Organisation

<sup>\*2</sup> ITM: International Travel and Migration (Statistics New Zealand)

<sup>\*3</sup> BoP: Balance of Payments (Statistics New Zealand)

#### IMAGE CREDITS

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