



TOURISM LEADING INDICATORS MONITOR

SERIES 2007/01 **FEBRUARY 2007** NEW ZEALAND

This edition updates new data on:

- Inbound and Outbound Travel Dec06
- Commercial Accommodation Dec06

It highlights the annual performance in 2006. International visitor arrivals recorded a highest level of visitation at 2.422 million. There were mixed performances amongst the key markets.

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CONTENTS

Commentary	2
Inbound Tourism	4
Outbound Tourism	6
Commercial Accommodation	7
International Visitor Expenditure	9
Domestic Tourism	10
Tourism Satellite Account	11
Tourism Forecasts	12
Trends and Patterns	13
Explanatory Notes	27

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COMMENTARY

International Visitor Arrivals - 2006 Performance

2006 ended up being a reasonably good year for the tourism industry. International visitor arrivals increased by 1.6% to reach a record 2.422 million, with 38,600 more arrivals than the previous year. The year comprised two periods of contrasting performance, with a soft first seven months (0.5% decrease) and a strong remaining five months (4.5% increase).

Record international visitor arrivals in 2006, 2.422 million, up 1.6%.

This level of performance in 2006 was consistent with the Ministry of Tourism's forecasts for the year, though the forecast underestimated actual arrivals slightly by 0.3%.

In the global context, New Zealand's performance was below that of world tourism. The UNWTO's preliminary estimate for world international tourist travel in 2006 was 4.5% growth, with the majority of the increase (80%) having occurred in Europe and Asia. Performance levels for countries of interest were mixed including: Australia +0.5%, Fiji -2.2%, UK +7.1%, Ireland +10.6%, France -2.6%, Spain +4.5%, China +6%, Japan +9%, USA +3.4% and Canada -3.5%.

Actual arrivals very close to forecasts in 2006.

In terms of visitor days in New Zealand, performance was better with a growth of 4.1% in 2006 to reach a record 49.1 million days, 1.9 million more visitor days than in the previous year (Figure 1). The average length of stay increased slightly (by 0.4) to 20 days.



Visitor growth in 2006 was driven chiefly by the three key markets – Australia, China and the US - which provided the largest increase in visitors. The Chinese market recorded the highest growth rate of 20.3% amongst the key markets, while the Japanese market recorded the largest decrease by 12% (Figures 2a ad 2b).

Australia, China and the US were key contributors to 2006 performance.

Figure 2a International Visitor Arrivals Change by Market 2005-06

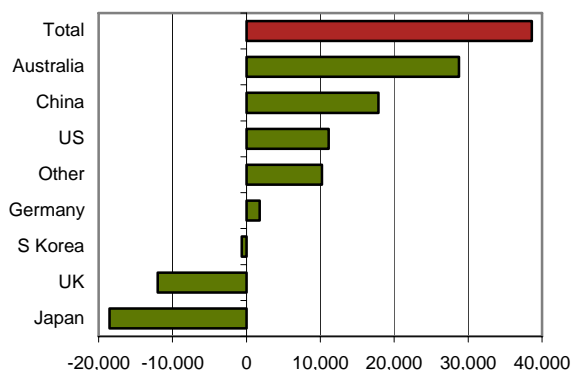
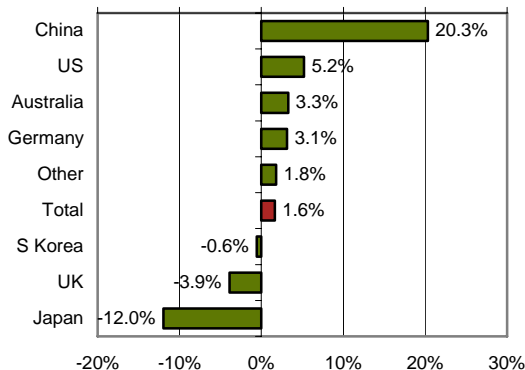


Figure 2b International Visitor Arrivals Growth Rate by Market 2005-06

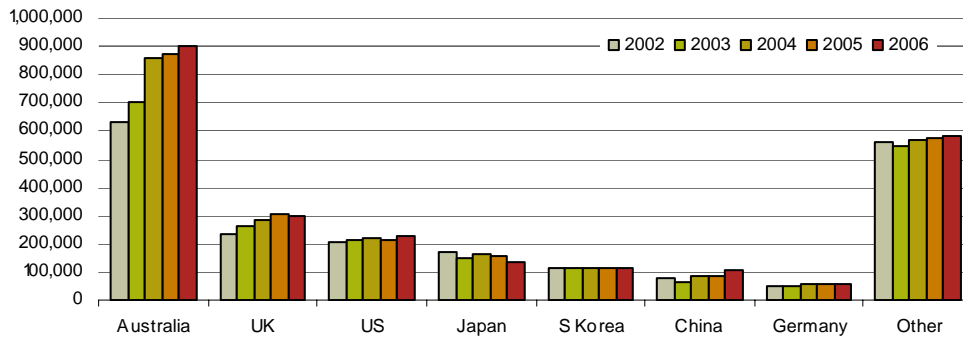


COMMENTARY

Outbound travel by Japanese tourists in 2006 increased by 0.8% but much of the increase went to Asian destinations, especially China (+10.5%), with travel to North America and Oceania destinations generally down, for example, Australia -0.5% and Hawaii -9.4%. In recent years there has been a shift in the Japanese travel pattern.

The UK market was softer (down 3.9%) coming off strong growth in 2005 boosted by the Lions rugby tour. However, the last quarter in 2006 saw the UK market rebounding with record arrivals in the summer months. The German market showed a low level of growth while the Korean market remained static. Many smaller markets also contributed to the growth as seen in the improvement of the 'other' category in Figure 3.

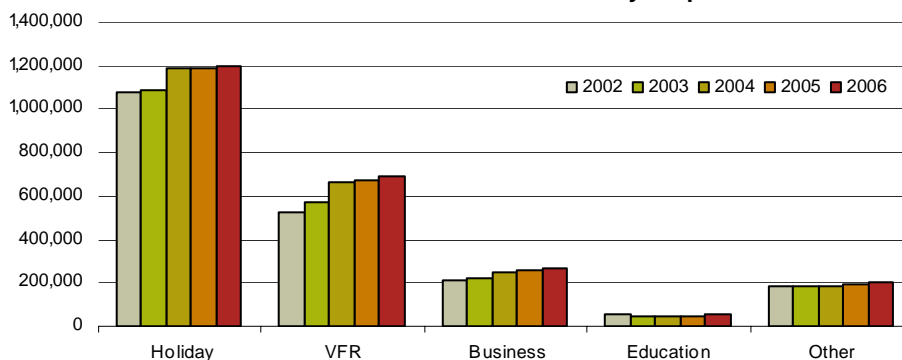
Figure 3 International Visitor Arrivals by Key Market



Amongst the travel purpose segments, VFR travellers (visiting friends and relatives, up 2.5%) and those on business trips (up 4.2%) provided around two-thirds of the increase in visitation. Holiday visitors increased slightly (0.3%) while education visitors showed strong growth (6.7%). Other visitors, including those attending conferences/conventions and on working holidays, also recorded a healthy growth rate of 4.7% as shown in the 'other' category in Figure 4.

VFR and Business visitors accounted for 64% of growth in 2006.

Figure 4 International Visitor Arrivals by Purpose



Outbound travel by New Zealand residents in 2006 was down slightly by 0.4%. There were fewer trips to Australia, Fiji and the US, but more trips to Europe and Asia.

Demand for commercial guest nights in 2006 rose slightly by 0.6% to reach a record level of 31.7 million guest nights. As with the inbound market, performance was soft in the earlier period but stronger in the last five months of the year.

1. INBOUND TOURISM

International Visitor Arrivals, December 2006 - In the month of December 2006 there were 319,040 international visitor arrivals, up by 3.9% (12,000) on December 2005. This is the highest visitation for any given month.

Markets - Visitors from Australia (up 4,900 or 4.2%), UK (up 2,400 or 5.6%), China (up 1,000 or 8.6%) and Korea (up 700 or 6.7%) recorded the largest increases in December 2006.

In contrast, there were fewer visitors from Japan (down 1,800 or -12.7%), Singapore (down 520 or -8.9%) and French Polynesia (down 380 or -13.3%).

Purpose - There were more visitors on VFR (up 5,400 or 4.2%) and Holiday (up 4,300 or 3.0%) in December 2006 compared to December 2005. Business visitors recorded a slight decrease (down 61 or -0.3%).

Duration - In December 2006, the average length of stay of visitors was 22.8 days, half a day more than in December 2005. The total number of visitor days increased by 6.4% (435,000 days) to 7.25 million days.

Flights - There were 2,503 flight-arrivals in December 2006, 29 flights fewer than in December 2005.

Annual Arrivals - For the year ended December 2006, there were 2.422 million international visitor arrivals, up by 38,600 or 1.6% on the previous year. This is the highest number of arrivals for any 12-month period. Total visitor days were up 4.1% to 49.1 million, with the average length of stay up slightly by 0.4 of a day to 20.0 days.

Figure 1a **Growth Rate of International Visitor Arrivals (Month of December 2006)**

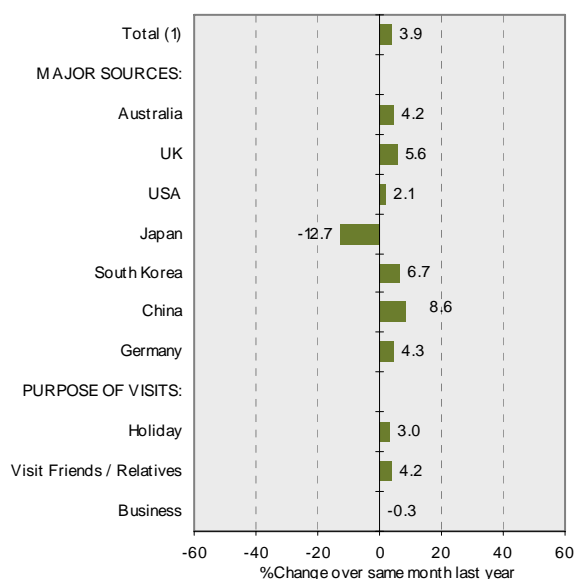
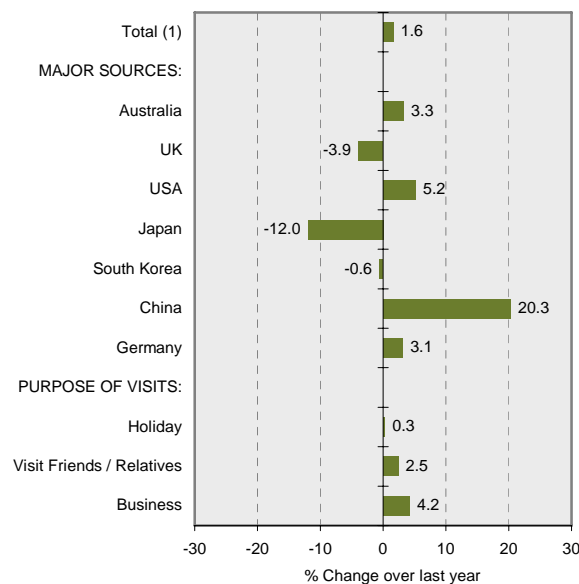


Figure 1b **Growth Rate of International Visitor Arrivals (Year Ended December 2006)**



1. INBOUND TOURISM

Table 1a International Visitor Arrivals (Month)

DEC EMBER MONTH	International Visitor Arrivals			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
Total (1)	313,057	307,061	319,040	-1.9	3.9
MAJOR SOURCES:					
Australia	118,350	116,250	121,160	-1.8	4.2
UK	44,425	43,050	45,448	-3.1	5.6
USA	24,550	24,550	25,064	0.0	2.1
Japan	15,550	14,475	12,636	-6.9	-12.7
South Korea	10,500	10,725	11,440	2.1	6.7
China	10,425	11,775	12,792	12.9	8.6
Germany	7,300	7,525	7,852	3.1	4.3
PURPOSE OF VISITS:					
Holiday	144,625	140,800	145,054	-2.6	3.0
Visit Friends / Relatives	127,175	128,550	133,926	1.1	4.2
Business	18,125	19,275	19,214	6.3	-0.3
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	2,523	2,532	2,503	0.4	-1.1

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

Table 1b International Visitor Arrivals (Year)

YEAR ENDED DEC EMBER	International Visitor Arrivals			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
Total (1)	2,347,672	2,382,950	2,421,561	1.5	1.6
MAJOR SOURCES:					
Australia	855,933	874,738	903,504	2.2	3.3
UK	283,700	306,815	294,812	8.1	-3.9
USA	218,345	214,507	225,629	-1.8	5.2
Japan	165,023	154,925	136,401	-6.1	-12.0
South Korea	113,908	112,005	111,361	-1.7	-0.6
China	84,368	87,850	105,716	4.1	20.3
Germany	55,736	57,549	59,353	3.3	3.1
PURPOSE OF VISITS:					
Holiday	1,190,443	1,192,001	1,195,492	0.1	0.3
Visit Friends / Relatives	659,970	673,572	690,200	2.1	2.5
Business	248,821	259,171	270,089	4.2	4.2
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	28,215	29,299	28,751	3.8	-1.9

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

2. OUTBOUND TOURISM

Departures, December 2006 - In the month of December 2006, New Zealand residents undertook 190,466 short-term overseas trips, up by 1.1% or 2,000 trips from the previous year.

Destinations - There were more trips to India (up 2,100 or 70.7%), Samoa (up 1,200 or 28.6%), Australia (up 1,000 or 1.2%), Hong Kong (up 780 or 29.3%) and Korea (up 510 or 19.4%).

There were fewer trips to Fiji (down 2,300 or -27.6%), Sri Lanka (down 360 or -46.4%) and Japan (down 350 or -16.7%).

Purpose - There were more trips on VFR (up 3,900 or 4.5%) and Business (up 1,300 or 9.0%) but fewer Holiday trips (down 1,900 or -2.8%) in December 2006 compared to December 2005.

Duration - The average length of trips in December 2006 was 23.8 days, 0.1 of a day less than last year.

Annual Departures - The total number of trips undertaken for the year ended December 2006 was 1.864 million, down 8,000 trips or -0.4% from the previous year.

Figure 2a **Growth Rate of Trips Abroad by NZ Residents (Month of December 2006)**

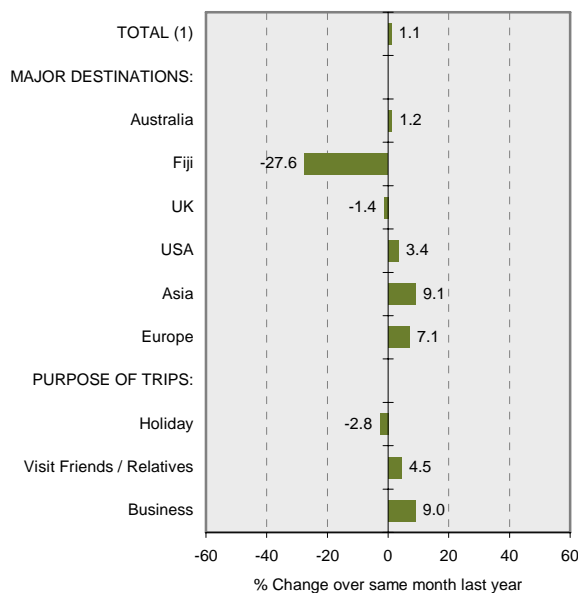


Figure 2b **Growth Rate of Trips Abroad by NZ Residents (Year Ended December 2006)**

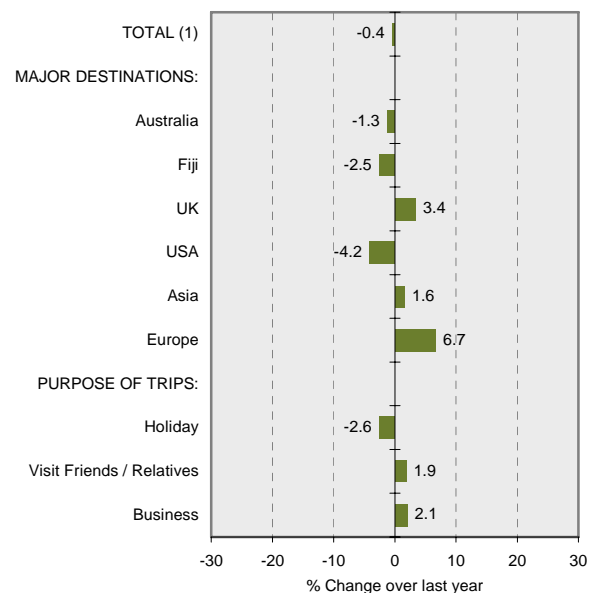


Table 2a **Trips Abroad by NZ Residents (Month)**

DEC EMBER MONTH	Trips Abroad by NZ Residents			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL (1)	173,679	188,434	190,466	8.5	1.1
MAJOR DESTINATIONS:					
Australia	82,766	84,999	86,040	2.7	1.2
Fiji	7,047	8,323	6,030	18.1	-27.6
UK	5,916	8,062	7,950	36.3	-1.4
USA	6,409	7,453	7,710	16.3	3.4
Asia	28,043	31,291	34,140	11.6	9.1
Europe	9,860	12,470	13,350	26.5	7.1
PURPOSE OF TRIPS:					
Holiday	64,119	69,832	67,890	8.9	-2.8
Visit Friends / Relatives	76,502	86,942	90,840	13.6	4.5
Business	13,949	13,978	15,240	0.2	9.0

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

Table 2b **Trips Abroad by NZ Residents (Year)**

YEAR ENDED DEC EMBER	Trips Abroad by NZ Residents			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL (1)	1,733,210	1,871,801	1,863,784	8.0	-0.4
MAJOR DESTINATIONS:					
Australia	880,286	941,151	929,361	6.9	-1.3
Fiji	98,752	109,006	106,246	10.4	-2.5
UK	78,143	86,377	89,332	10.5	3.4
USA	80,448	90,803	87,012	12.9	-4.2
Asia	210,505	231,511	235,216	10.0	1.6
Europe	136,253	149,713	159,729	9.9	6.7
PURPOSE OF TRIPS:					
Holiday	756,176	804,574	783,984	6.4	-2.6
Visit Friends / Relatives	509,694	565,699	576,262	11.0	1.9
Business	252,390	276,507	282,221	9.6	2.1

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

3. COMMERCIAL ACCOMMODATION

Guest Nights, December 2006 - In the month of December 2006, a total of 3,210,000 guest nights were spent in commercial accommodation, an increase of 140,000 nights (or 4.6%) from December 2005. This is the highest level for a December month. Guest nights in the North Island increased by 4.7% (up 82,000) while the South Island increased by 4.4% (up 58,000).

Accommodation Types – All five commercial accommodation types recorded an increase in guest nights in December 2006. Hotels (up 59,000 or 7.1%) recorded the largest increase, followed by motels (up 42,700 or 4.6%), caravan parks/camping grounds (up 23,600 or 2.8%), backpackers (up 11,800 or 2.8%) and hosted accommodation (up 3,100 or 5.0%).

Occupancy - The overall occupancy rate of accommodation establishments in December 2006 was 40.1%, up by 1.6 percent points, compared to 38.5% in December 2005. All five commercial accommodation types recorded an increase in occupancy rate, with caravan parks/camping grounds recording the largest increase (at 21.8%, up 1.9 points from 19.9%), followed by hosted (31.4%, up 1.5 points), hotels (52.9%, up 1.3 points), motels (53.3%, up 0.8 of a point) and backpackers (at 49.8%, up 0.1 of a point).

RTOs - In December 2006, almost all Regional Tourism Organisation areas (RTOs) recorded an increase in guest nights from December 2005. Christchurch and Canterbury recorded the largest increase (up 21,000 or 5.3%), followed by Auckland (up 20,600 or 4.5%), Bay of Plenty (up 16,900 or 12.9%), Wellington (up 13,800 or 7.9%), Hawke's Bay (up 10,900 or 10.6%), Northland (up 10,500 or 5.3%), Queenstown/Central Otago (up 8,900 or 3.0%), Rotorua (up 8,300 or 4.8%), Nelson (up 7,400 or 5.1%), West Coast (up 6,500 or 5.1%), Waikato (up 4,700 or 5.4%), Mackenzie/Timaru (up 4,500 or 6.6%), Southland (up 3,200 or 3.6%) and Dunedin/Clutha (up 3,200 or 3.6%). RTOs recording a decrease in guest nights included Taupo (down 4,000 or -3.9%) and Taranaki (down 2,900 or -5.6%).

December 2006 recorded the highest number of guest nights for a December month (though not the highest in any month of the year) for many RTOs, including Waikato, Bay of Plenty, Ruapehu, Hawke's Bay, Wellington, Marlborough, West Coast, Queenstown/Central Otago and Dunedin/Clutha.

Annual - For the year ended December 2006, there was a total demand of 31.71 million guest nights, up slightly by 0.6% or 0.19 million from the previous year. This is the highest number of guest nights recorded for any calendar year.

Figure 3a **Growth Rate of Guest Nights (Month of December 2006)**

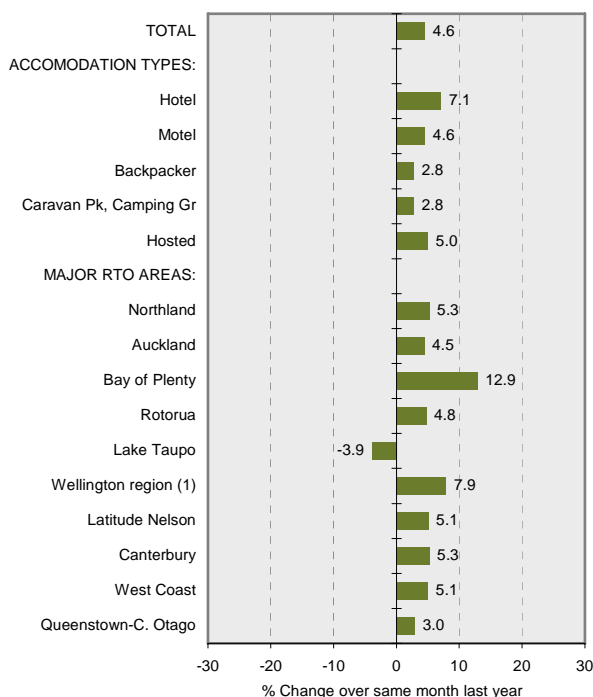
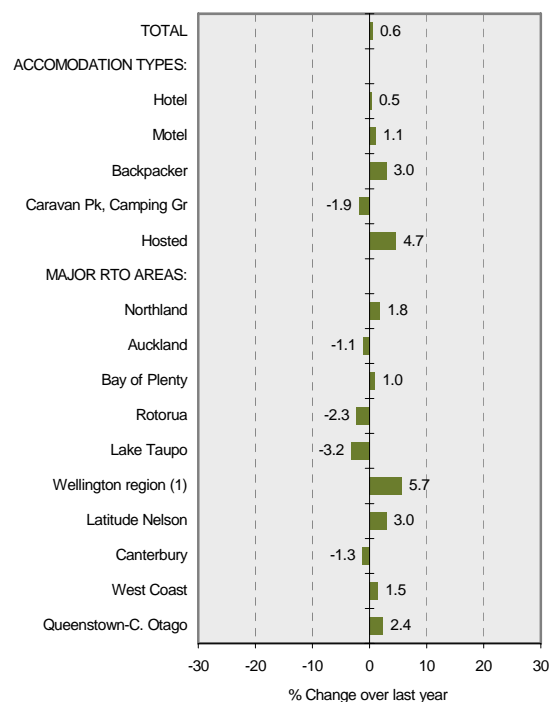


Figure 3b **Growth Rate of Guest Nights (Year Ended December 2006)**



3. COMMERCIAL ACCOMMODATION

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

DECEMBER MONTH	Guest Nights			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	3,173,579	3,070,149	3,210,231	-3.3	4.6
ACCOMMODATION TYPES:					
Hotel	845,745	826,672	885,626	-2.3	7.1
Motel	973,717	929,233	971,981	-4.6	4.6
Backpacker	396,530	414,869	426,633	4.6	2.8
Caravan Pk, Camping Gi	892,111	838,714	862,270	-6.0	2.8
Hosted	65,478	60,662	63,720	-7.4	5.0
MAJOR RTD AREAS:					
Northland	221,939	199,003	209,508	-10.3	5.3
Auckland	484,684	461,401	482,000	-4.8	4.5
Bay of Plenty	123,746	130,562	147,457	5.5	12.9
Rotorua	186,997	172,790	181,072	-7.6	4.8
Lake Taupo	107,087	102,841	98,877	-4.0	-3.9
Wellington region (1)	173,393	173,763	187,538	0.2	7.9
Latitude Nelson	156,075	144,853	152,277	-7.2	5.1
Canterbury	423,751	395,638	416,585	-6.6	5.3
West Coast	132,052	128,648	135,160	-2.6	5.1
Queenstown-C. Otago	291,727	301,105	309,997	3.2	3.0

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

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

YEAR ENDED DECEMBER	Guest Nights			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	30,948,667	31,511,121	31,705,377	1.8	0.6
ACCOMMODATION TYPES:					
Hotel	9,736,174	9,932,389	9,978,242	2.0	0.5
Motel	10,539,957	10,590,850	10,710,925	0.5	1.1
Backpacker	3,900,807	4,170,387	4,293,932	6.9	3.0
Caravan Pk, Camping Gr	6,220,623	6,266,026	6,145,083	0.7	-1.9
Hosted	551,106	551,470	577,194	0.1	4.7
MAJOR RTD AREAS:					
Northland	1,692,724	1,687,957	1,719,094	-0.3	1.8
Auckland	5,325,615	5,306,418	5,247,197	-0.4	-1.1
Bay of Plenty	1,085,381	1,181,536	1,193,448	8.9	1.0
Rotorua	1,945,943	1,899,312	1,855,714	-2.4	-2.3
Lake Taupo	1,093,577	1,082,715	1,047,980	-1.0	-3.2
Wellington region (1)	1,979,055	2,134,344	2,256,354	7.8	5.7
Latitude Nelson	1,172,080	1,186,955	1,222,307	1.3	3.0
Canterbury	4,208,308	4,271,805	4,217,622	1.5	-1.3
West Coast	1,210,051	1,227,406	1,246,121	1.4	1.5
Queenstown-C. Otago	2,958,007	3,077,486	3,150,810	4.0	2.4

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

4. INTERNATIONAL VISITOR EXPENDITURE

Expenditure, Year ended September 2006 - International visitors spent a total of \$6,673 million in New Zealand for the year ended September 2006 (excluding international airfares). This is an increase of 7.2% (\$448 million) on the previous year.

The year ended September spend figure (\$6.673 million) is lower than the year end June 2006 figure (\$7,008 million) which can be attributed to the influence of the Lions tour not being included in the September year results.

Markets – The US market recorded the largest increase, up by \$68 million or 11.1%, to reach \$679 million. The Chinese market also performed strongly with visitor spend up by \$50 million or 16.7 to \$352 million. Other markets recording strong growth included South Korea (up \$44 million or 16.1% to \$314 million) and Germany (up \$31 million or 14.1% to \$248 million).

Japan (down \$151 million or -24.9%) recorded the largest decrease in visitor spend for the year ended September 2006 compared with the year ended September 2005, followed by Singapore (down \$65 million or -51.2%), UK (down \$59 million or -5.6%) and Australia (down \$40 million or -2.7%)

The main reason for the overall increase is likely to be related to the weaker New Zealand dollar in the first and second quarters of 2006 giving visitors more purchasing power and so encouraging spending.

Average Spend - The average spend per visitor was \$3,070 up 8.7% on the previous year.

Figure 4 International Visitor Expenditure Growth Rate (Year Ended September 2006)



Table 4 International Visitor Expenditure (Year)

YEAR ENDED SEPTEMBER	NZ\$m million (1)			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	6,621	6,225	6,673	-6.0	7.2
Australia	1,441	1,469	1,429	2.0	-2.7
UK	942	1,045	986	11.0	-5.6
USA	580	611	679	5.4	11.1
Japan	632	605	455	-4.2	-24.9
South Korea	498	270	314	-45.8	16.1
China	464	301	352	-35.1	16.7
Germany	204	217	248	6.6	14.1
Other	1,860	1,705	2,210	-8.3	29.6
Average Spend/Visit	3,126	2,824	3,070	-9.6	8.7

(1) Expenditure excludes international airfares.

5. DOMESTIC TOURISM

Overnight Trips, Year ended June 2006 - For the year ended June 2006, the number of overnight trips decreased by 2.7% (0.40 million) to 14.30 million trips, while the number of visitor nights increased by 1.1% (or 0.47 million) to 43.6 million. On average, overnight visitors stayed 3 nights away from home.

Day Trips - The number of day-trips decreased by 5.2% (or 1.61 million) to 29.12 million for the year ended June 2006.

Expenditure - Overall, domestic tourism expenditure increased by 4.9% (or \$328 million) to \$7,080 million for the year ended June 2006. Overnight-trip expenditure was up 10.4% to \$4,593 million, and day-trip expenditure was down 4.0% to \$2,486 million.

Visitor Nights in RTOs - Several Regional Tourism Organisation regions recorded an increase in visitor nights in the year ended June 2006. Canterbury recorded the largest increase (up 560,000 nights or 15.1%), followed by Taranaki (up 412,000 or 44.2%), Bay of Plenty (up 392,000 or 18.5%), Coromandel (up 386,000 or 16.4%), Northland (up 365,000 or 12.7%), Rotorua (up 360,000 or 28.9%) Southland (up 331,000 or 62.0%), Dunedin (up 273,000 or 28.9%) and Mackenzie (up 163,000 or 60.5%)

Fewer domestic visitor nights were recorded in Wellington (down 1,357,000 or -32.3%), Nelson (down 692,000 or -34.9%), Auckland (down 257,000 or -4.6%), Fiordland (down 143,000 or -46.3%), Eastland (down 143,000 or -15.7%), Waikato (down 120,000 or -5.1%), Kawerau/Whakatane (down 116,000 or -21.7%) and Ruapehu (down 98,000 or -17.5%).

Figure 5 Domestic Tourism Growth Rate (Year Ended June 2006)

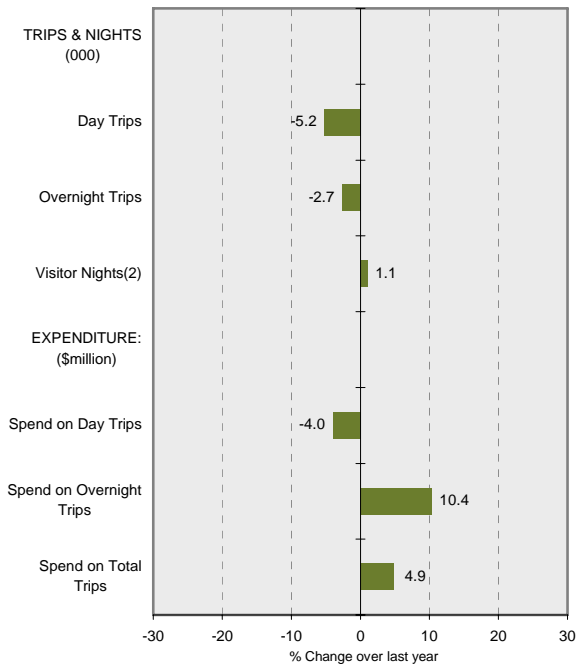


Table 5 Domestic Tourism Growth Rate (Year)

YEAR ENDED JUNE				Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TRIPS & NIGHTS (000)					
Day Trips	29,277	30,726	29,120	4.9	-5.2
Overnight Trips	14,897	14,689	14,298	-1.4	-2.7
Visitor Nights(2)	47,556	43,135	43,604	-9.3	1.1
EXPENDITURE: (\$million)					
Spend on Day Trips	2,956	2,591	2,486	-12.4	-4.0
Spend on Overnight Trip	4,648	4,161	4,593	-10.5	10.4
Spend on Total Trips	7,604	6,751	7,079	-11.2	4.9

(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 2005 - Total tourism expenditure for the year to March 2004 was \$17.5 billion, up 0.8% (or \$132 million) on the previous year. This was driven by a 3.3% increase in international visitor spend but negated by a 1.3% decrease in domestic visitor spend.

Tourism Contribution to GDP - Tourism's direct and indirect value-added contribution to the economy was \$12.3 billion (excluding GST, import duties and other taxes on production), which was 9 % of the total New Zealand GDP.

Domestic and International Segments - Domestic tourists spent \$9.4 billion and international tourists spent \$8.1 billion. This represents a 54% domestic and 46% international contribution to total expenditure. Domestic travel activity includes both household travel of \$7.1 billion, and business and government travel of \$2.3 billion.

Tourism Export Earnings - International tourist expenditure in 2005 (\$8.1 billion) represented 18.7% of the total export earnings (\$43 billion). Tourism remains as New Zealand's largest export earner, ahead of key export product groups such as dairy (\$5.7b), meat (\$4.7b) or wood (\$3.0b).

Tourism Employment - Tourism is estimated to support directly and indirectly 176,000 full-time equivalent jobs, or 9.8% (one in ten) of the total New Zealand workforce in 2005.

Tourism Contribution to GST - Tourists contributed \$1.21 billion in GST payments in 2005, or 10.9% of total GST, import duties and taxes on production received by Government.

Note: The report *Tourism Satellite Account 2005* which contains more detailed data is available on the Ministry of Tourism research website: www.tourismresearch.govt.nz, and Statistics NZ website: www.stats.govt.nz.

Table 6 Tourism Satellite Account, 2003-2005

YEAR ENDED MARCH				Growth Rate (%)	
	2003	2004	2005	03-04	04-05
Tourism Expenditure (\$million)	17,054	17,351	17,483	1.7	0.8
Direct Tourism Value Added	6,227	6,419	6,521	3.1	1.6
Indirect Tourism Value Added	5,648	5,786	5,806	2.4	0.3
Imports (sold/used in production sold to tourists)	3,921	3,910	3,945	-0.3	0.9
GST Paid on Purchases by Tourists	1,257	1,235	1,210	-1.7	-2.0
International Tourism Expenditure(1)	7,660	7,811	8,067	2.0	3.3
Domestic Tourism Expenditure	9,394	9,540	9,416	1.6	-1.3
Persons Engaged in Tourism (full-time equivalent, 000)	176	173	176	-1.5	1.7
Directly Engaged in Tourism	105	104	105	-1.3	1.4
Indirectly Engaged in Tourism	71	69	71	-1.7	2.3
Tourism Contributions to NZ Economy (Percent)					
Tourism Value Added Expenditure (% of GDP)	9.8	9.5	9.0
Tourism Employment (% of Total FTE Employment)	10.4	10.0	9.8
Tourism GST (% of Total GST, import duties & taxes on production)	13.1	12.0	10.9
Tourism Export Earning (% of Total Export)	18.1	19.3	18.7

(1) Includes international airfares.

7. TOURISM FORECASTS

Tourism forecasts, 2006-2012 - The latest Ministry of Tourism forecasts provide a set of expectations on the future tourism demand in New Zealand. The forecasts are intended to enhance the tourism sector decision-making and planning.

Over the next seven years, 2006-2012, New Zealand tourism is forecast to continue to grow with international tourism growing faster than domestic tourism.

The forecasts reinforce that the long term prospects for tourism remain excellent.

International visitor arrivals - are forecast to increase from 2.4 million in 2005 to 3.1 million in 2012, up by 748,000 or 31.6%, averaging 4.0% growth per annum.

Of the forecast increase by three-quarters of a million visitors, the largest contribution is expected to come from Australia (up 229,000 or 26%), followed by China (up 138,000 or 157%) and UK (up 114,000 or 37%).

Visitor numbers from our largest market Australia are expected to reach one million by 2010, up from 875,000 in 2005.

The China visitor market is expected to overtake South Korea by 2007 and Japan by 2009 to become our fourth largest market behind Australia, the UK and the US.

Domestic trips - are forecast to increase from 56 to 59 million, up by 3 million or 5.3%, averaging 0.7% per annum. The growth will be driven by an additional 1.1 million overnight visits (up 6.4%) and 1.9 million day visits (up 4.8%).

Visitor nights - are forecast to increase from 97 million to 115 million, up by 18 million or 18.8%, averaging 2.5% per annum.

The growth will be driven by an additional 14.9 million international visitor nights (up from 45 to 60 million) and 3 million domestic visitor nights (up from 52 to 55 million).

Visitor expenditure - is forecast to increase from \$13.3b to \$18.3b, up by \$5b or 37.5%, averaging 4.7% per annum. The growth will be driven by an additional \$3.6 billion from international visitor spend (up from \$6.5b to \$10.1b) and \$1.4b from domestic visitor spend (up from \$6.8b to \$8.2b). By 2007, international tourism is expected to surpass domestic tourism.

(Note that international visitor expenditure in the forecasts refers to spend in New Zealand and excludes international airfares paid prior to arrivals. Domestic spend excludes some travel expenditure by the government and business sectors.)

RTOs - All 30 Regional Tourism Organisation areas are forecast to increase their tourism receipts by between 20% and 49% over the period 2005-2012. Regions with higher exposure to international market are generally forecast to perform better, including Queenstown (up 49%), Auckland (up 46%), Rotorua (up 45%), Fiordland (up 41%), Canterbury (up 39%) and Mackenzie (up 38%).

Outbound travel by New Zealand residents - is forecast to increase from 1.87 million in 2005 to 2.03 million in 2012, an increase of 159,000 or 8.5%, averaging 1.2% per annum.

(Further details of these forecasts are available in the tourism forecast reports as well as in electronic *pivot tables*, which can be downloaded at www.tourismresearch.govt.nz.)

Table 7 **Tourism Forecasts, 2006-2012**

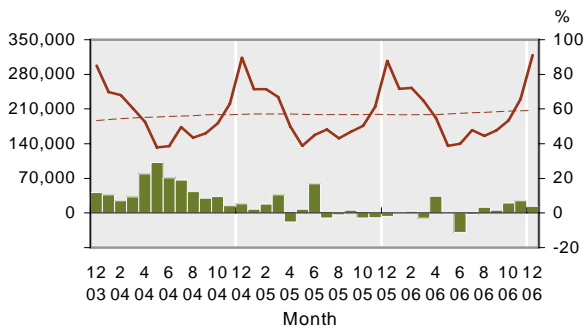
YEAR ENDED DECEMBER	2005(1)	2006f	2007f	2008f	2009f	2010f	2011f	2012f	Growth 2005-2012		
									Change	Total	Annual
International Visitors (000)	2,366	2,403	2,508	2,619	2,736	2,857	3,021	3,114	748	31.6%	4.0%
Domestic Trips (000)(2)	56,362	56,154	56,700	57,737	58,149	58,561	58,972	59,360	2,998	5.3%	0.7%
Overnight Trips	17,421	17,368	17,639	18,007	18,141	18,276	18,410	18,537	1,116	6.4%	0.9%
Day Trips	38,941	38,786	39,061	39,730	40,007	40,285	40,563	40,823	1,883	4.8%	0.7%
Visitor Nights (000)	96,621	97,778	100,699	103,880	106,536	109,244	112,780	114,785	18,163	18.8%	2.5%
International	44,822	46,149	48,281	50,381	52,651	54,972	58,122	59,766	14,944	33.3%	4.2%
Domestic	51,799	51,629	52,418	53,499	53,885	54,271	54,658	55,019	3,220	6.2%	0.9%
Visitor Expenditure (\$million)	13,319	13,572	14,432	15,287	15,998	16,741	17,664	18,319	5,000	37.5%	4.7%
International(3)	6,504	6,646	7,283	7,858	8,375	8,921	9,645	10,103	3,600	55.3%	6.5%
Domestic	6,815	6,926	7,149	7,428	7,623	7,820	8,019	8,215	1,400	20.5%	2.7%
NZ Outbound Trips (000)	1,868	1,871	1,895	1,918	1,942	1,968	1,997	2,027	159	8.5%	1.2%

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

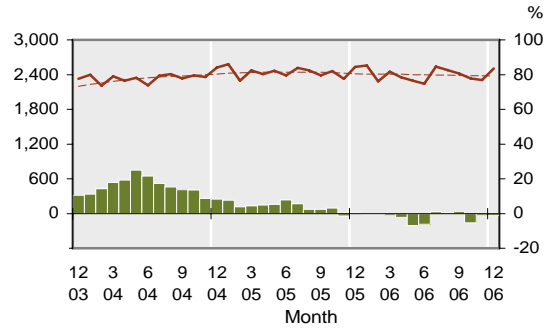
TRENDS AND PATTERNS

1. Inbound Tourism

1.1 International Visitor Arrivals

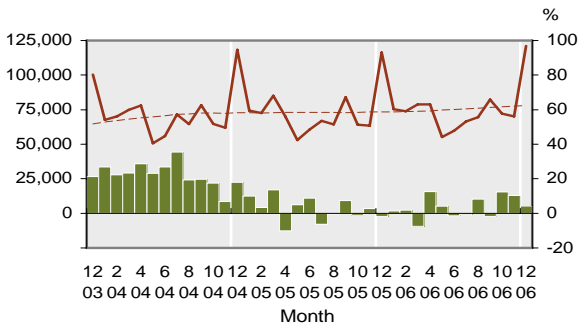


1.2 International Passenger Arrival Flights

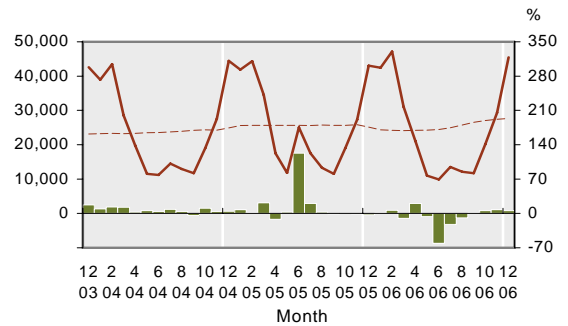


Major Sources

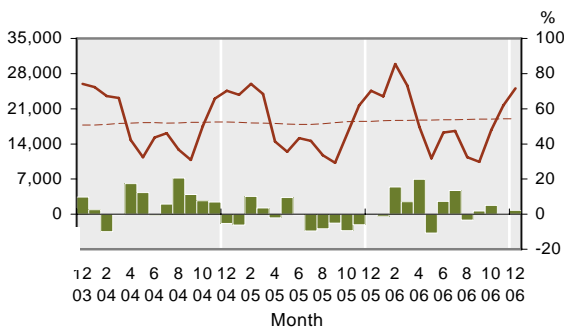
1.3 Visitors from - Australia



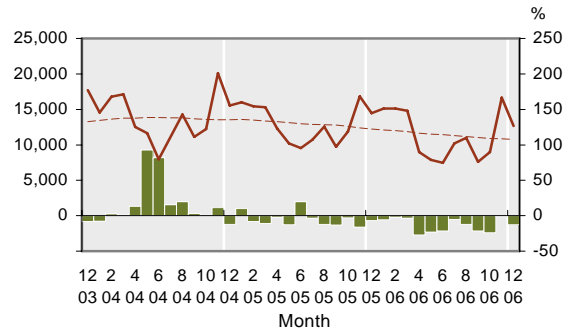
1.4 Visitors from - UK



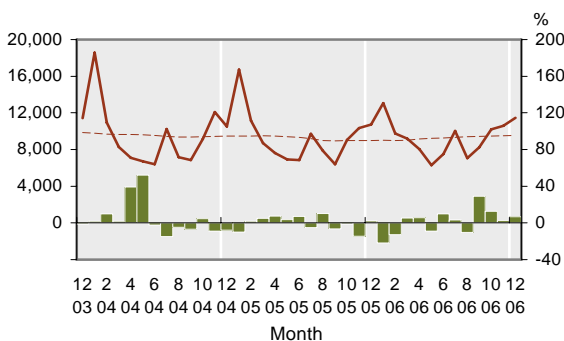
1.5 Visitors from - USA



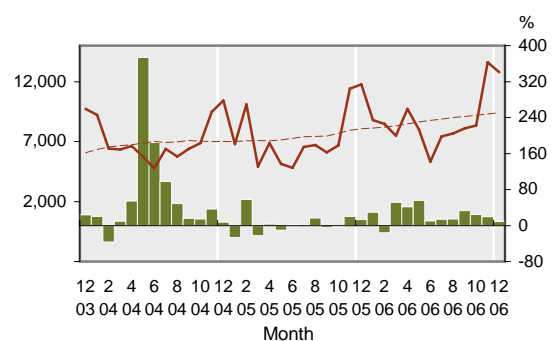
1.6 Visitors from - Japan



1.7 Visitors from - South Korea



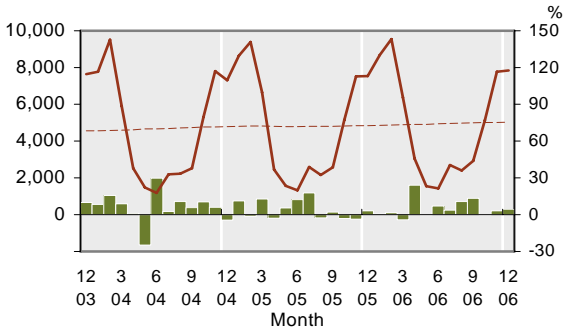
1.8 Visitors from - China



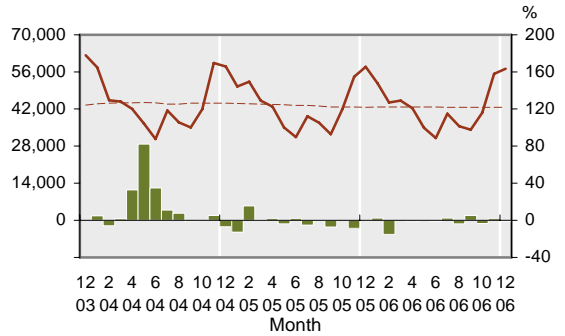
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

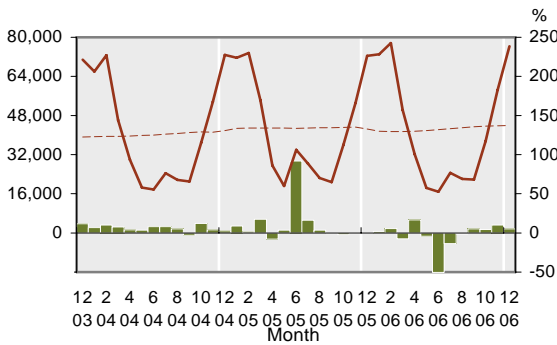
1.9 Visitors from - Germany



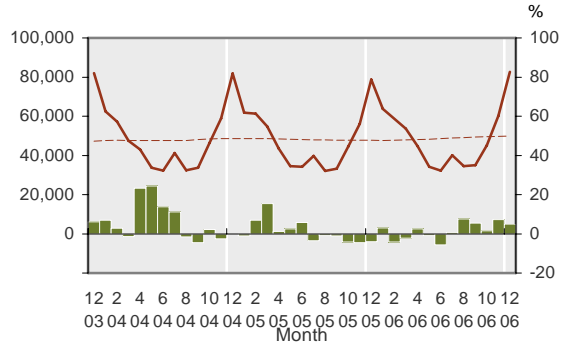
1.10 Visitors from - Asia



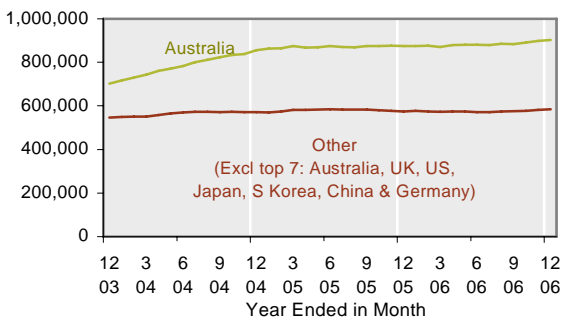
1.11 Visitors from - Europe



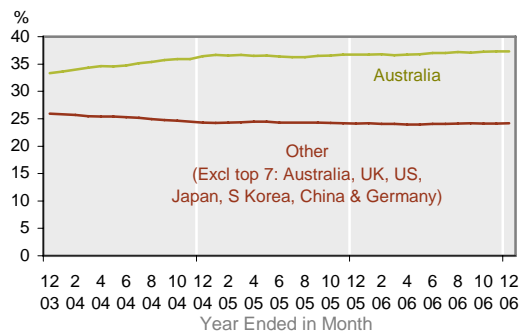
1.12 Visitors from - Other



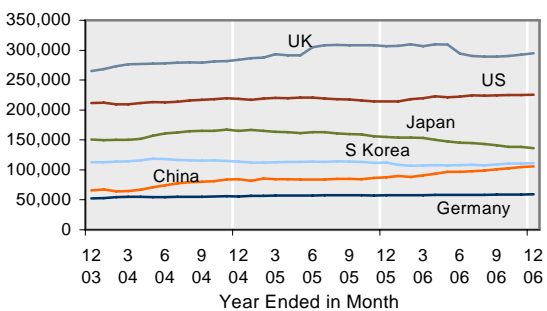
1.13 Visitors by Major Source



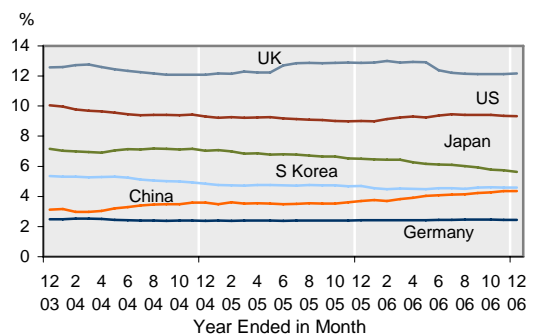
1.14 Share of Total International Visitors



1.15 Visitors by Major Source



1.16 Visitors by Major Source (%)

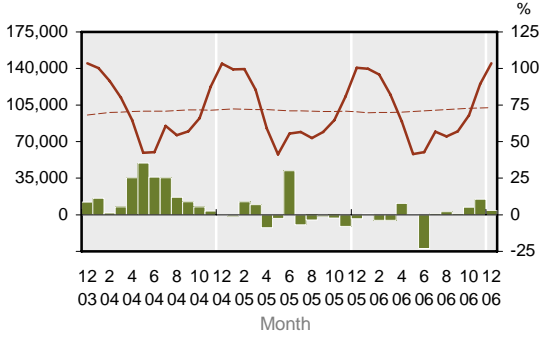


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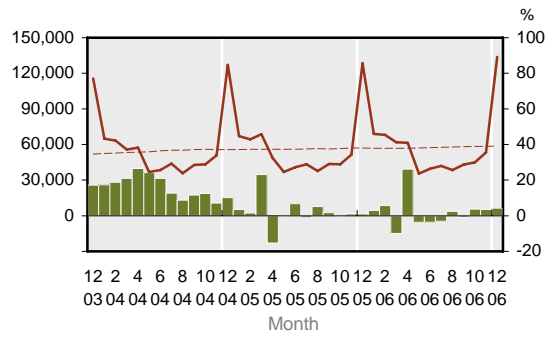
TRENDS AND PATTERNS

Purpose of Visits

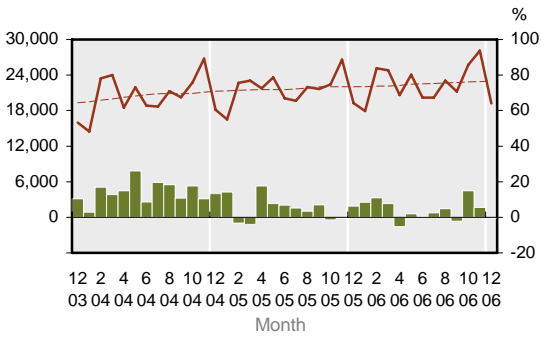
1.17 International Visitors - Holiday



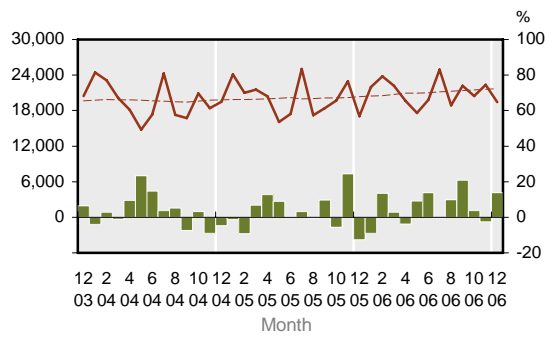
1.18 International Visitors - VFR



1.19 International Visitors - Business



1.20 International Visitors - Other

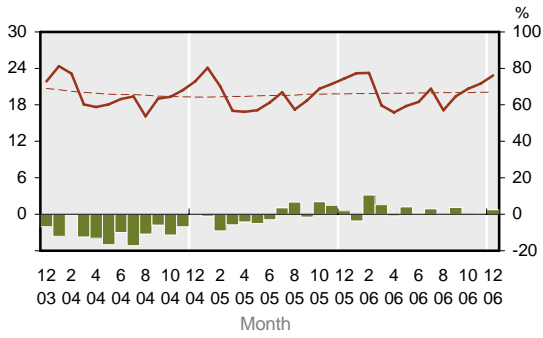


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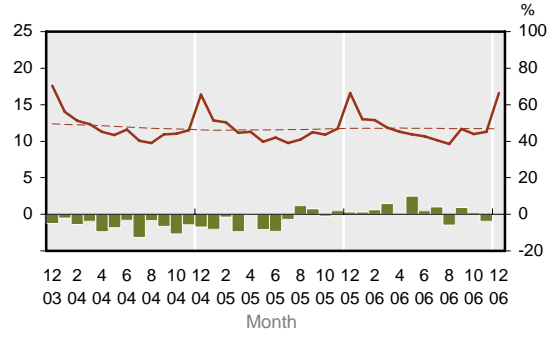
TRENDS AND PATTERNS

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

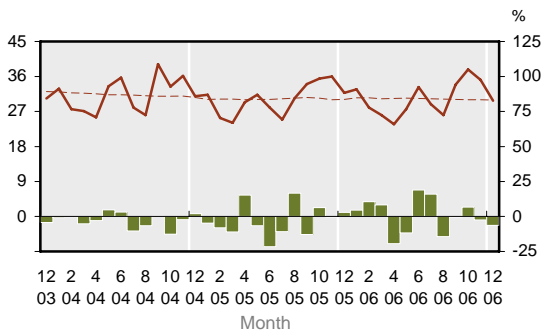
1.21 Average Days of Stay by Visitors



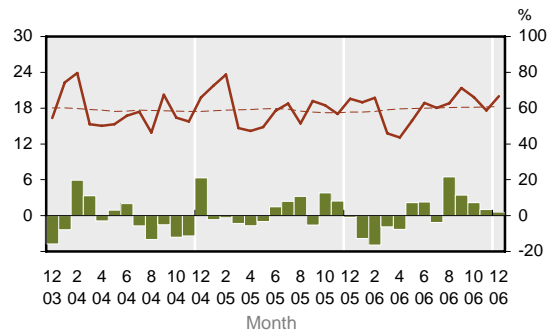
1.22 Average Days Stayed - Australian Visitors



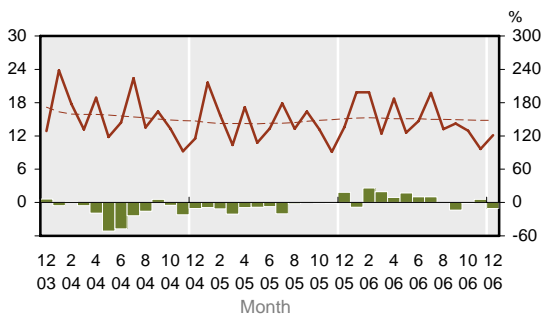
1.23 Average Days Stayed - UK Visitors



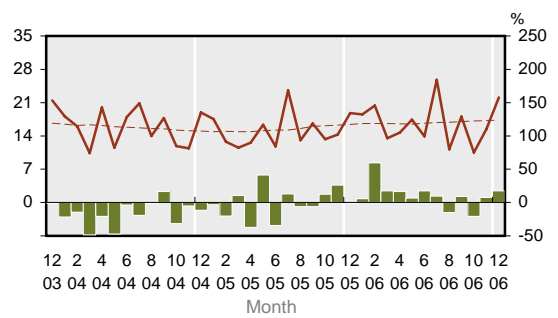
1.24 Average Days Stayed - US Visitors



1.25 Average Days Stayed - Japanese Visitors



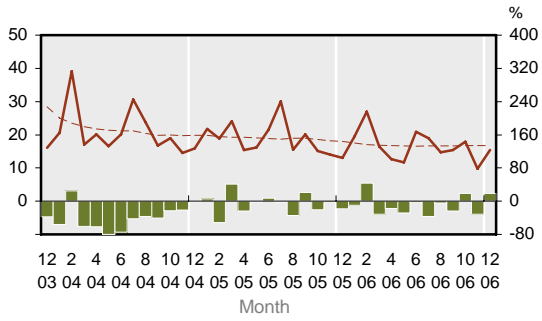
1.26 Average Days Stayed - S. Korea Visitors



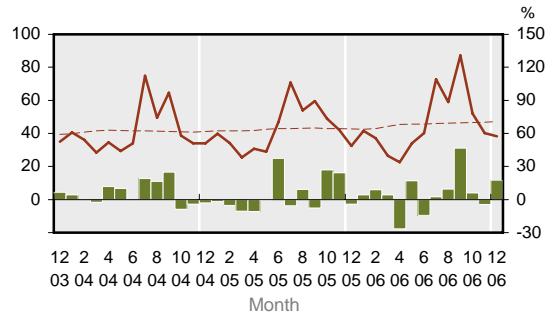
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

1.27 Average Days Stayed - Chinese Visitors



1.28 Average Days Stayed - German Visitors



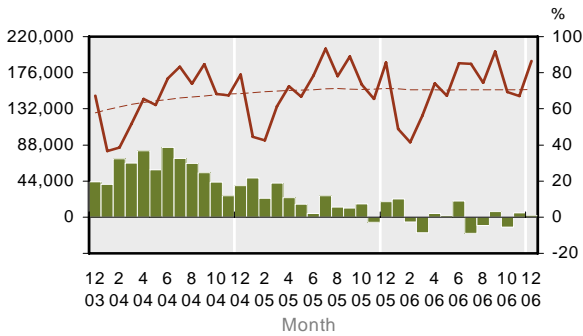
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TRENDS AND PATTERNS

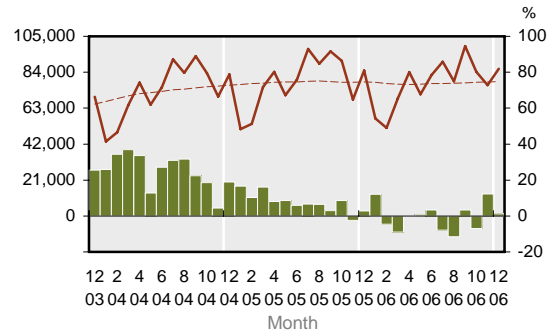
2. Outbound Tourism

Major Destinations

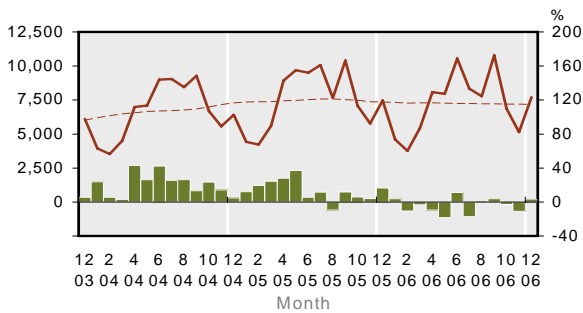
2.1 NZer Trips Abroad



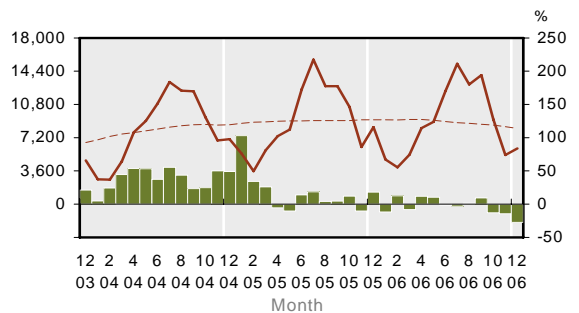
2.2 NZer Trips to - Australia



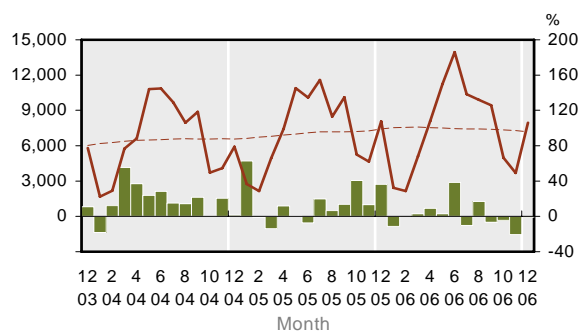
2.3 NZer Trips to - USA



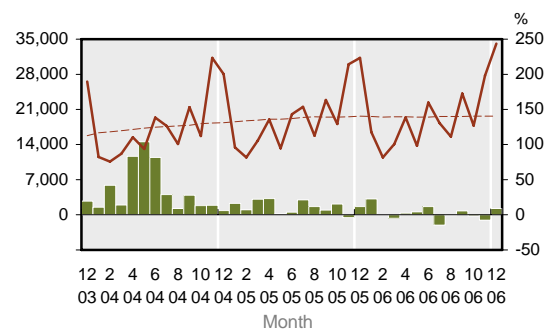
2.4 NZer Trips to - Fiji



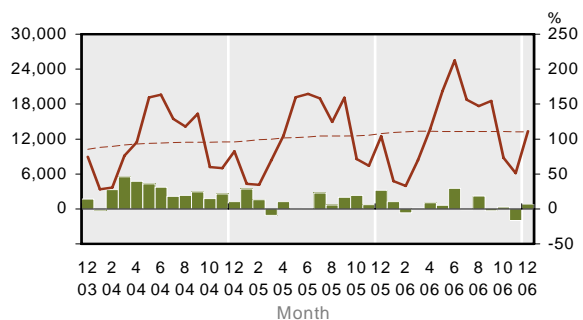
2.5 NZer Trips to - UK



2.6 NZer Trips to - Asia



2.7 NZer Trips to - Europe

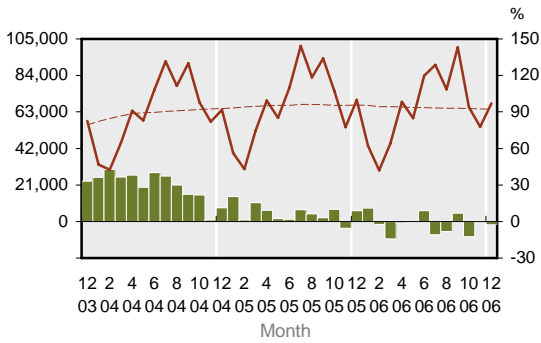


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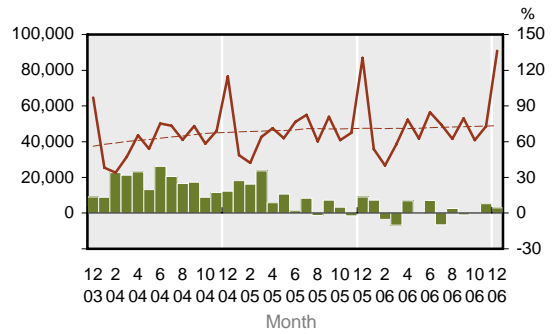
TRENDS AND PATTERNS

Purpose of Trips Abroad

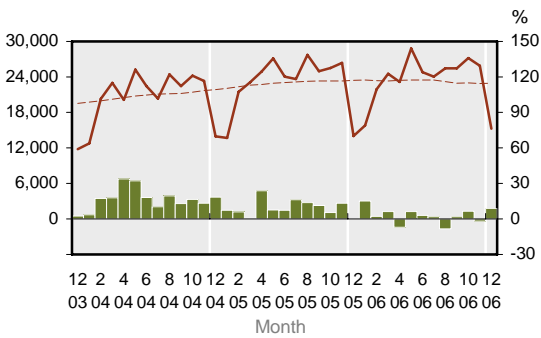
2.8 NZer Trips Abroad - Holiday



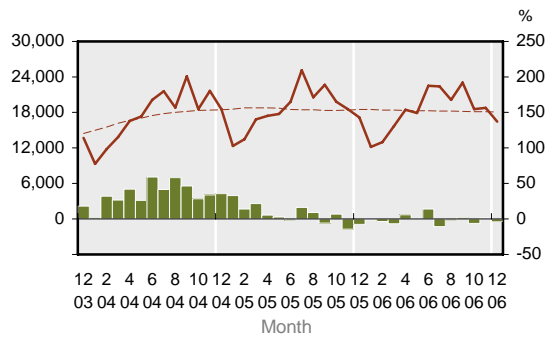
2.9 NZer Trips Abroad - VFR



2.10 NZer Trips Abroad - Business



2.11 NZer Trips Abroad - Other



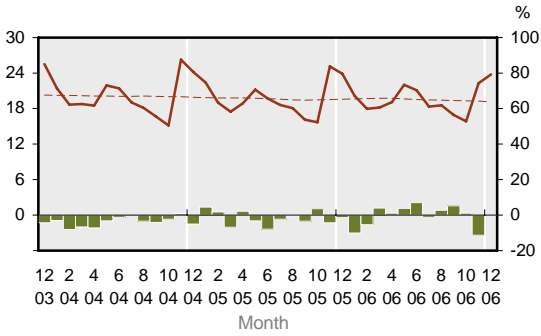
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TRENDS AND PATTERNS

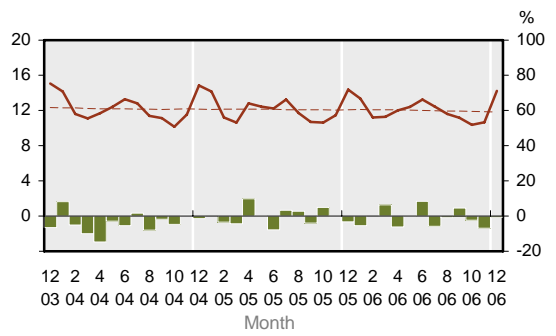
Length of Trips Abroad

Note: Figures are based on intended length of trips abroad.

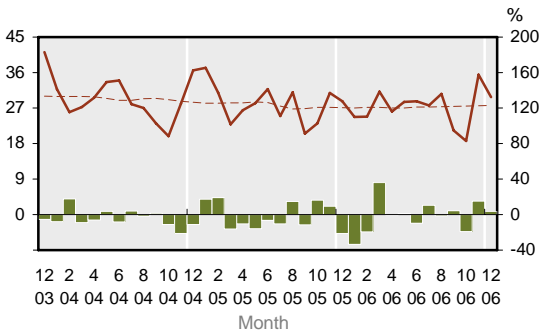
2.12 Average Days Abroad



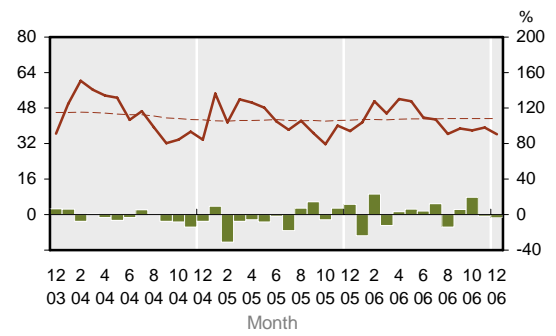
2.13 NZers Average Days Abroad - Australia



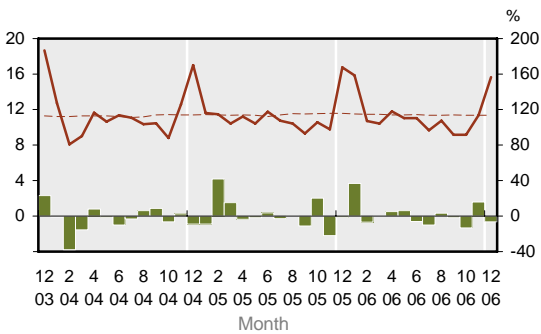
2.14 NZers Average Days Abroad - US



2.15 NZers Average Days Abroad - UK



2.16 NZers Average Days Abroad - Fiji

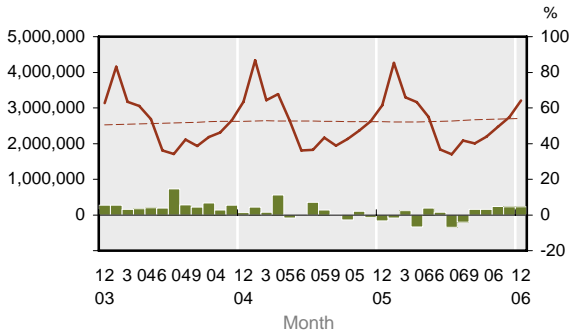


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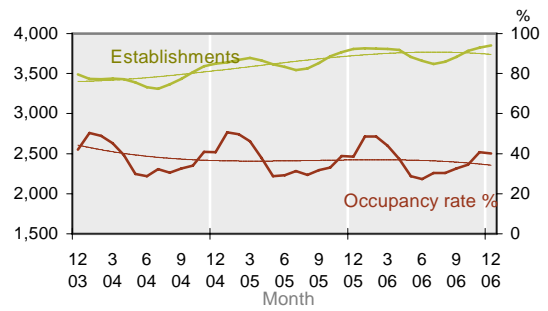
TRENDS AND PATTERNS

3. Commercial Accommodation

3.1 Total Guest Nights

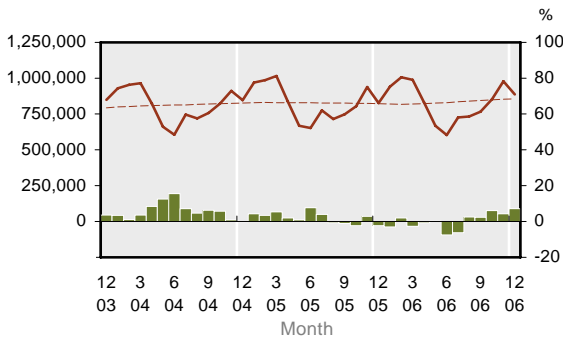


3.2 Total Establishments and Occupancy

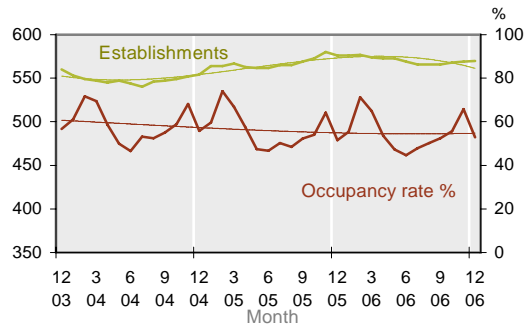


Guest Nights by Accommodation Type

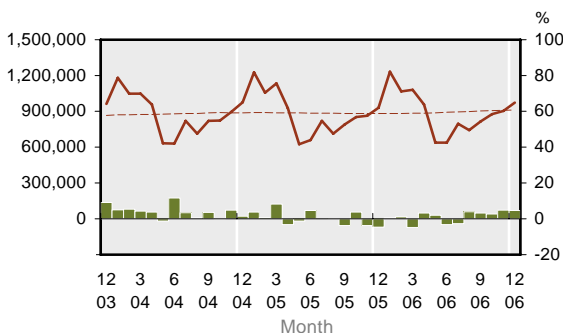
3.3 Hotel Guest Nights



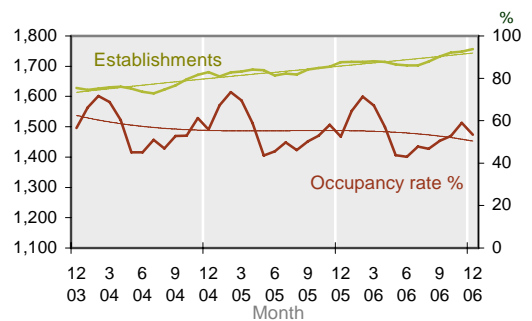
3.4 Hotels and Occupancy



3.5 Motel Guest Nights



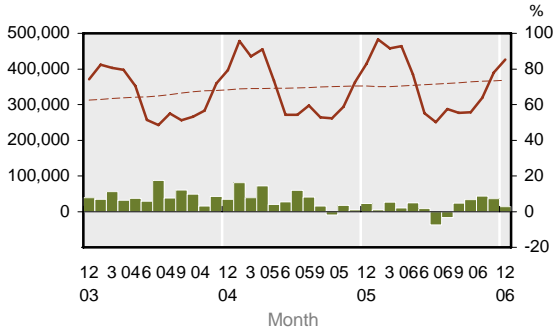
3.6 Motels and Occupancy



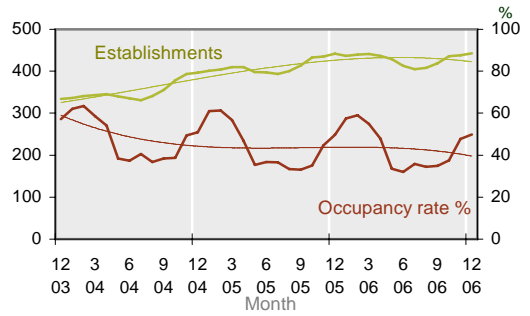
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TRENDS AND PATTERNS

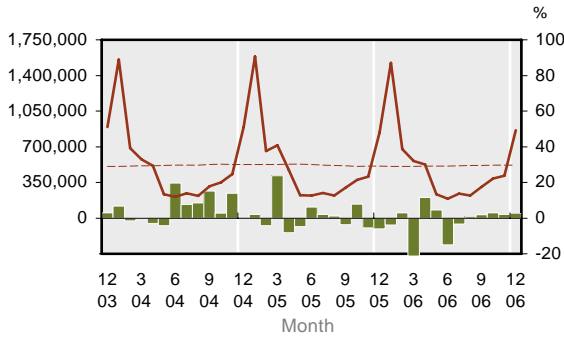
3.7 Backpacker Guest Nights



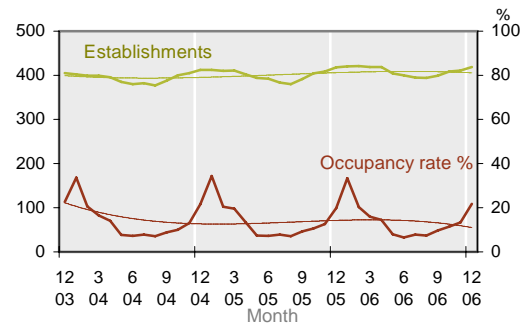
3.8 Backpackers and Occupancy



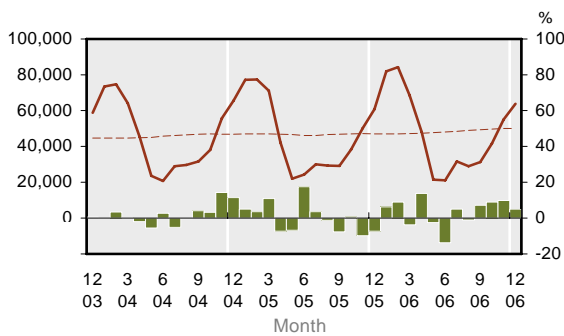
3.9 Caravan/Camping Guest Nights



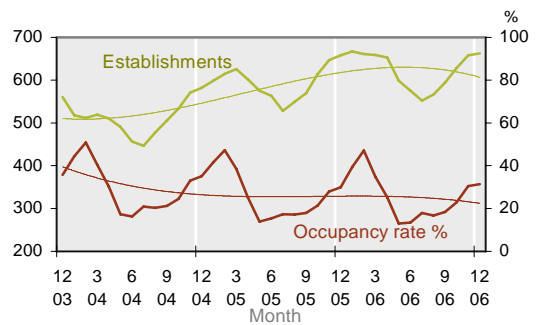
3.10 Caravan/Camping Est. and Occupancy



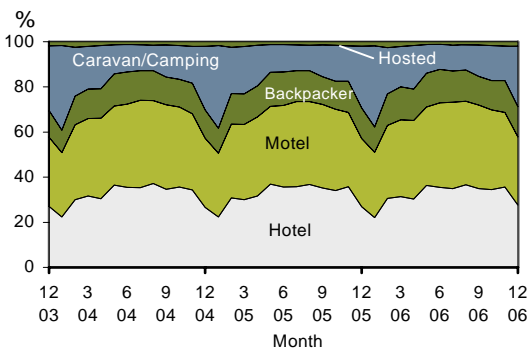
3.11 Hosted Guest Nights



3.12 Hosted and Occupancy



3.13 Share of Guest Nights by Establishment

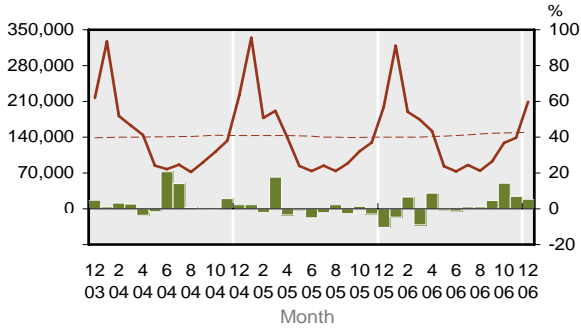


KEY:
 Solid line (brown) – show statistics described by the graph title (left scale).
 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

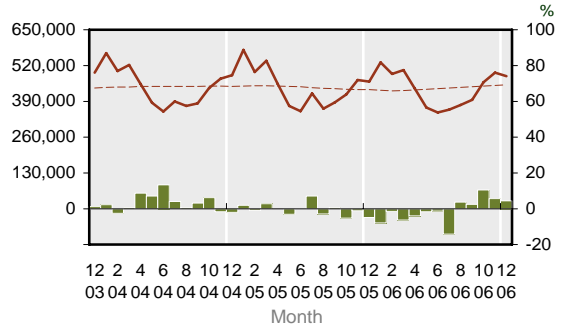
TRENDS AND PATTERNS

Guest Nights by Regional Tourism Organisation and District

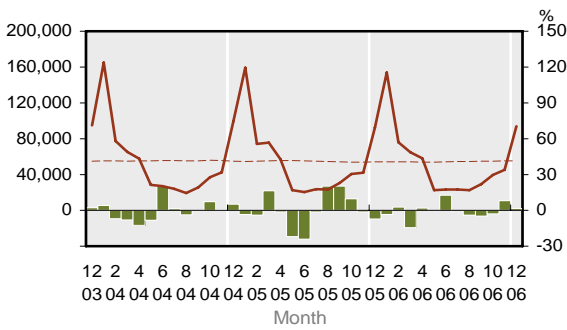
3.14 Northland RTO Guest Nights



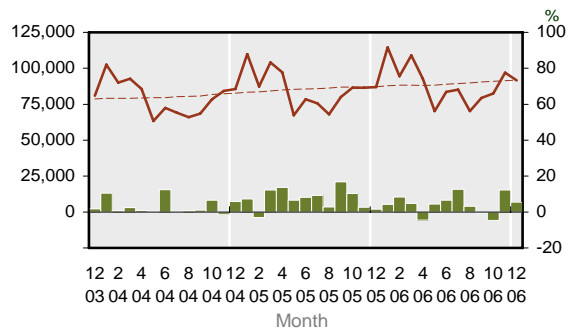
3.15 Auckland RTO Guest Nights



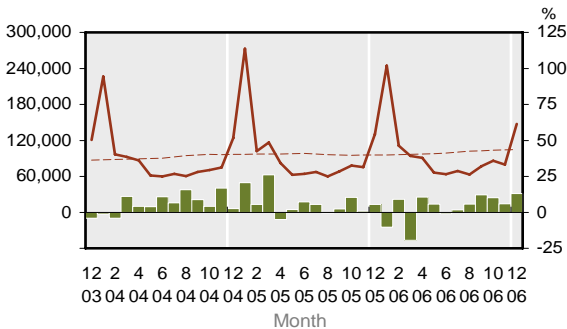
3.16 Coromandel RTO Guest Nights



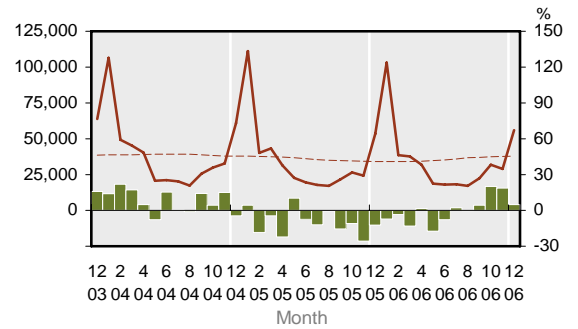
3.17 Waikato RTO Guest Nights



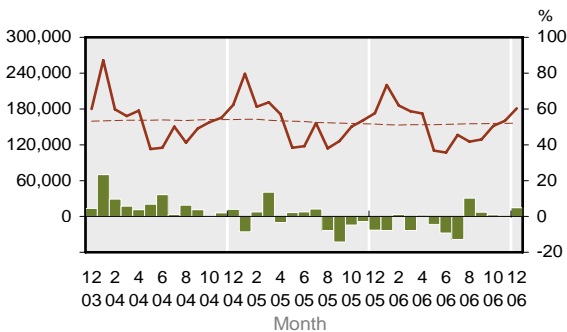
3.18 Bay of Plenty RTO Guest Nights



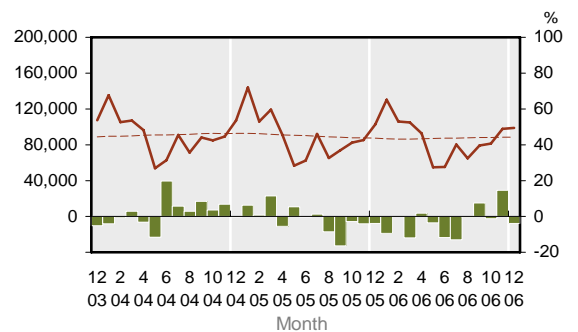
3.19 Eastland RTO Guest Nights



3.20 Rotorua RTO Guest Nights



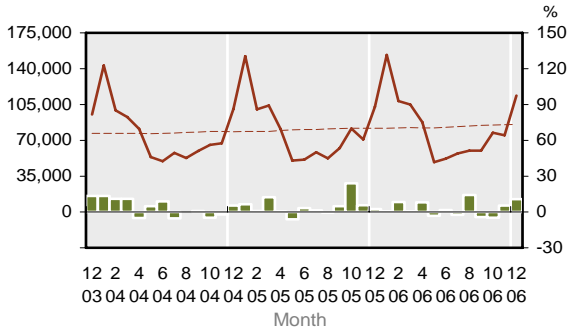
3.21 Lake Taupo RTO Guest Nights



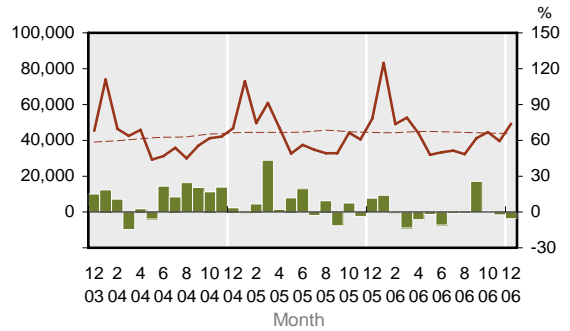
KEY:
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

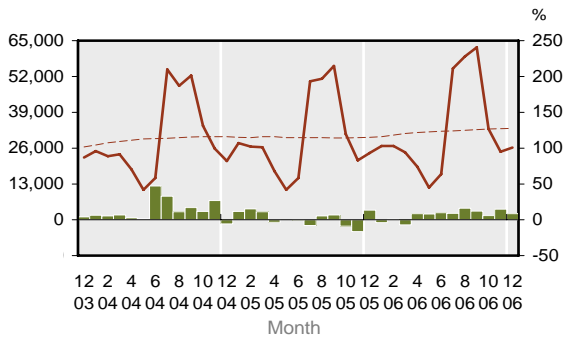
3.22 Hawke's Bay RTO Guest Nights



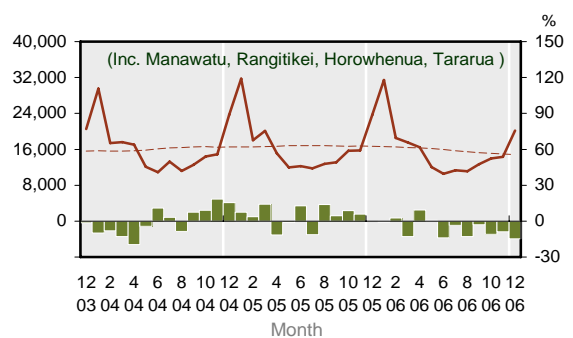
3.23 Taranaki RTO Guest Nights



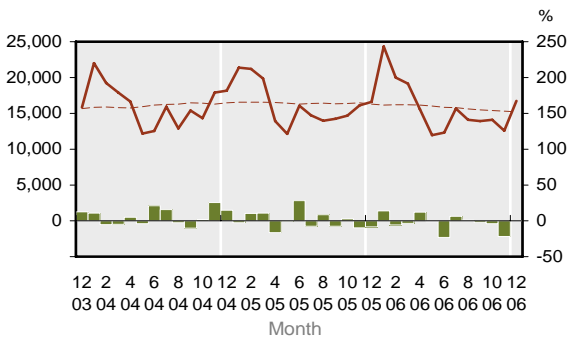
3.24 Ruapehu RTO Guest Nights



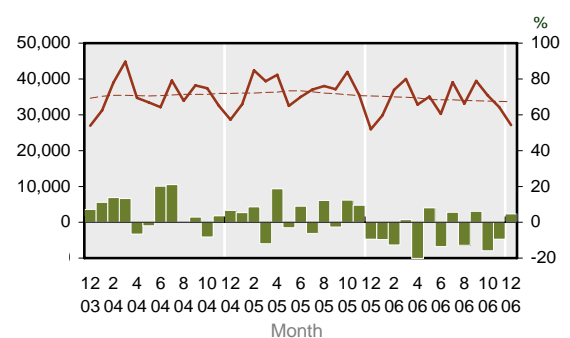
3.25 Combined Manawatu Guest Nights



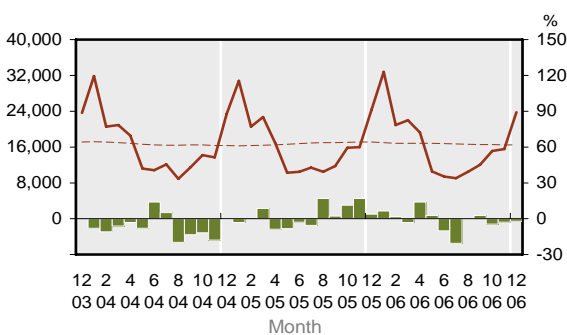
3.26 Wanganui District Guest Nights



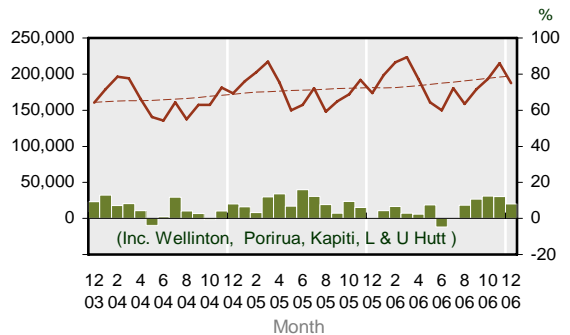
3.27 Palmerston North City Guest Nights



3.28 Wairarapa RTO Guest Nights



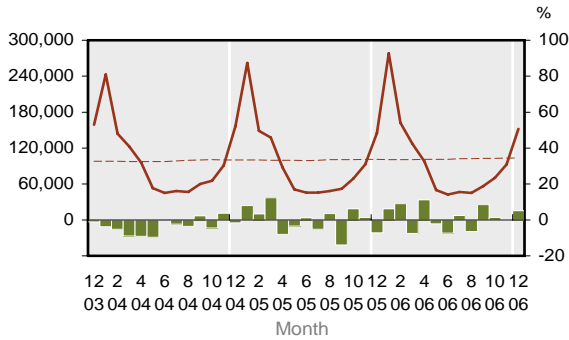
3.29 Wellington Region Guest Nights



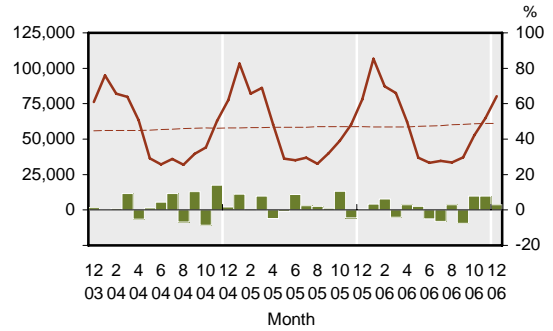
KEY:
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

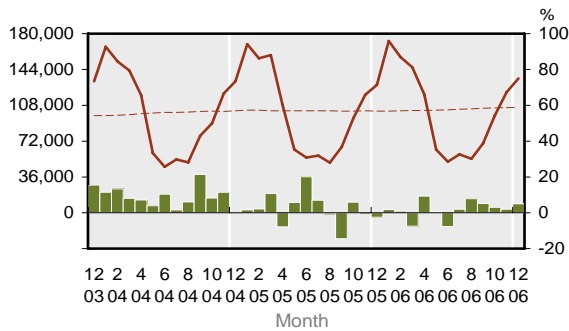
3.30 Latitude Nelson RTO Guest Nights



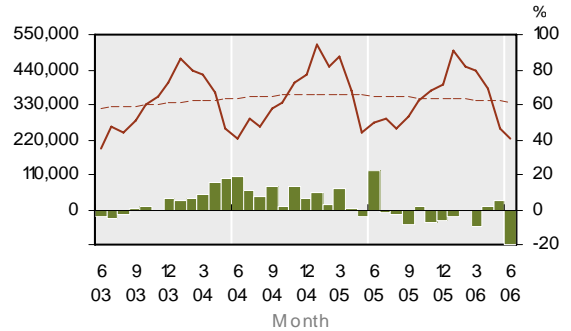
3.31 Marlborough RTO Guest Nights



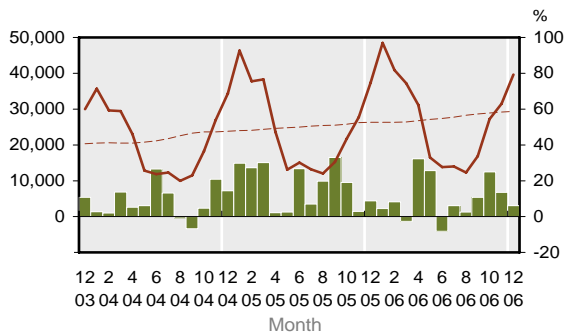
3.32 West Coast RTO Guest Nights



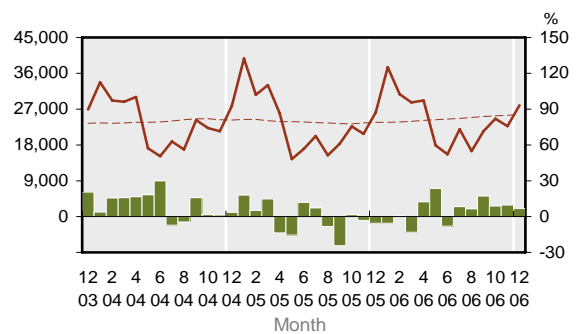
3.33 Canterbury Guest Nights



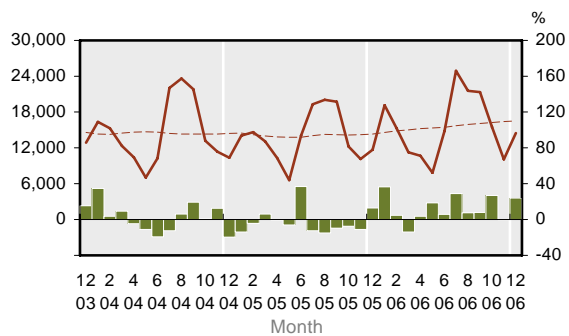
3.34 Kaikoura District Guest Nights



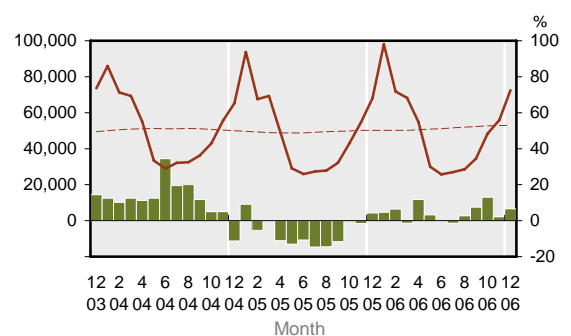
3.35 Hurunui RTO Guest Nights



3.36 Ashburton District Guest Nights



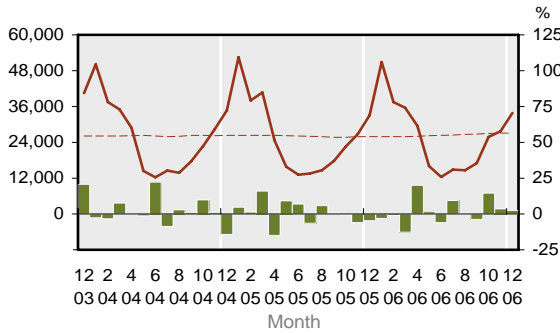
3.37 Mackenzie-Timaru Guest Nights



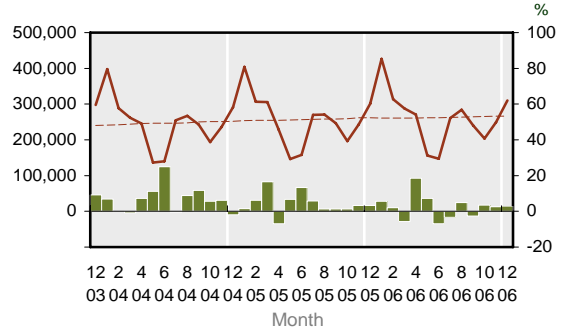
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TRENDS AND PATTERNS

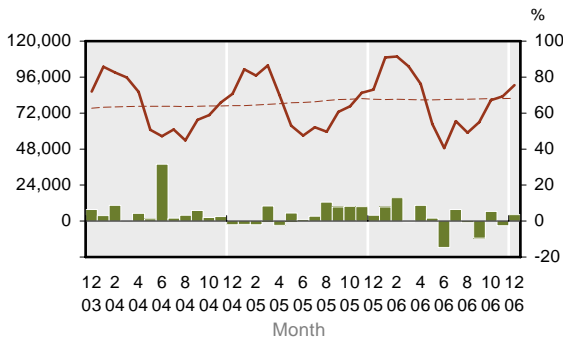
3.38 Waitaki-Waimate Guest Nights



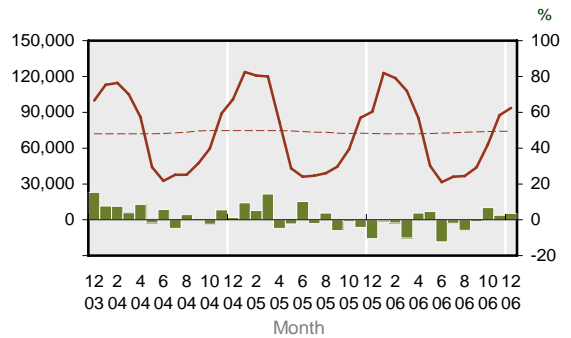
3.39 Queenstown - Central Otago Guest Nights



3.40 Dunedin-Clutha Guest Nights

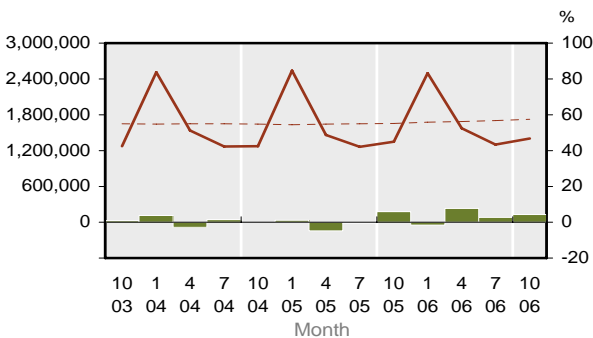


3.41 Southland Region Guest Nights

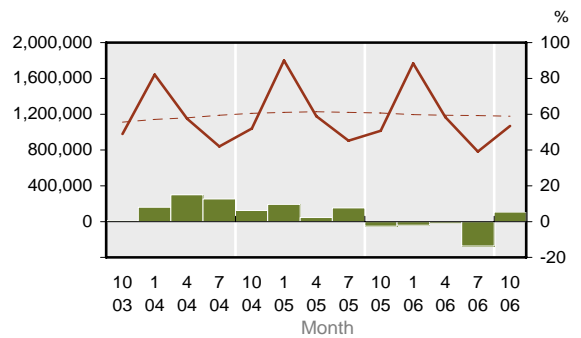


International and Domestic Guest Nights

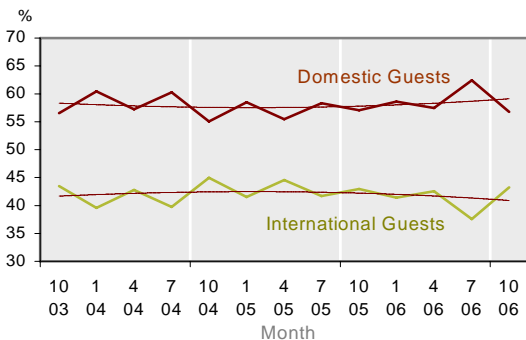
3.42 Domestic Guest Nights



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 and intend to stay in New Zealand 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.

Outbound Tourism

This information refers to NZ residents who are on overseas trips and intend to be away 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.

Commercial Accommodation

Statistics are obtained from the Accommodation Survey (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 (conducted by ACNielsen and sponsored by 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.

Domestic Tourism

This information is obtained from the Domestic Travel Survey (conducted by ACNielsen and sponsored by 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.

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.

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.

EXPLANATORY NOTES

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.

Technical note: 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.

Accreditations

The Ministry of Tourism would like to thank all individuals and organisations that have contributed images to this publication.

Mt Taranaki from Poukai Range – Iain Guilliard,
www.iainguilliard.com.

Fern – Rebecca Davis, www.moxie.co.nz

Sources of Statistics

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

1. Inbound Tourism : “*External Migration*”, Statistics New Zealand
2. Outbound Tourism : “*External 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, 2005*”, Statistics New Zealand
7. Forecasts : Ministry of Tourism
 - *New Zealand Tourism Forecasts, 2006-2012 (Summary Document)*
 - *New Zealand National Tourism Forecasts, 2006-2012*
 - *New Zealand Regional Tourism Forecasts, 2005-2011*

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, phone: t: (04) 917 5400,
<http://www.tourismnewzealand.com>