



NEW ZEALAND TOURISM FORECASTS 2010 - 2016

SUMMARY DOCUMENT | NEW ZEALAND | JULY 2010

www.tourismresearch.govt.nz

These forecasts establish expectations of international and domestic tourism demand at the national level. Regional level forecasts will be provided in separate publications later in 2010. This is a rich body of information for tourism and related sectors, to be used in planning and decision making.

The forecasts summarised in this document are drawn from the full forecasting outputs prepared by Covec Limited for the Ministry of Tourism.

The full set of outputs including pivot tables is available at www.tourismresearch.govt.nz/forecasts.

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Foreword

It's a great pleasure to launch the 11th edition of the Ministry of Tourism's forecasts.

This is an exciting time for New Zealand's tourism industry. The economy is recovering, more people are travelling, and next year we're hosting the Rugby World Cup.

There is simply no overstating how important the World Cup will be for New Zealand. Our fantastic country will be in the spotlight for at least six weeks, and it will deliver huge benefits to our tourism and hospitality industries.

As the international economy bounces back and visitor numbers pick up, it's vital that we plan ahead and anticipate demand for our tourism services. We need to make the most of every opportunity coming our way, and that's why these forecasts are so useful.

I am confident that there will be more good news in the months and years ahead. Last year we were one of a small group of countries that didn't have an overall drop in visitor numbers. That's testament to our world-class tourism industry and the resilience of our tourism businesses.

I hope that these forecasts will help you plan ahead so that you can continue to provide our visitors with the high-quality experiences, warm hospitality, and outstanding services they have come to expect.

Best wishes,



John Key

Minister of Tourism
Prime Minister



Hon John Key
Minister of Tourism
Prime Minister

Executive Summary

Inbound Tourism

A variety of factors have influenced this year's forecasting programme. The main short-term factors include:

- Strong winter bookings out of Australia and an expectation that the current growth phase will extend into 2011.
- Strong growth rates in Asian markets off the low bases caused by Influenza A (H1N1) in 2009.
- The Rugby World Cup which is expected to generate a large spike in visitor arrivals in September/October 2011.
- A high New Zealand dollar relative to the currencies of our main long-haul markets.
- Rising government deficits and debt levels that threaten to slow the global economic recovery, particularly in Europe.
- Low business and consumer confidence due to economic uncertainty.

The long-term outlook has improved markedly in recent months due to the following factors:

- A shorter, shallower global economic downturn than previously anticipated and the expectation of a more stable economic climate in 2011 and beyond.
- The overall market has less downward drag from key markets such as Japan and South Korea. Arrivals from these countries have already fallen to relatively low levels but have the potential to rebound as their economies improve.
- A range of new long-haul services operated by foreign carriers which will open up new markets and increase competition on key inbound routes.
- The emerging long-haul low cost carrier model (e.g. Jetstar, AirAsia X) which is likely to deliver major benefits for remote locations like New Zealand.

Indications are that 2011/12 will be a turning point for the New Zealand tourism industry, led by the Rugby World Cup in September/October 2011.

The key results from this year's inbound tourism forecasts are:

- An increase in visitor arrivals of 3.7% in 2010 driven mainly by growth in the Australian market and the recovery in Asian arrivals following Influenza A (H1N1) in 2009.
- Growth of 6.8% in 2011 driven by the Australian market, new air services, the Rugby World Cup and a strong start to the 2011/12 summer season.
- A return to trend growth in the latter stages of the forecast period.

Total visitor arrivals are forecast to increase by 27.3% (669,000 arrivals) over the next seven years to reach 3.12 million by 2016. This represents an average growth rate of 3.5% per annum.

The key growth markets over the forecast period are expected to be:

- Australia – Up 28.8% (312,000 arrivals) to 1.40 million by the end of 2016 (3.7% per annum). This is almost half the total growth forecast over the next seven years.
- China – Up by 75.6% (77,000 arrivals) to 180,000 by the end of 2016 (8.4% per annum).
- US – Up by 35.5% (70,000 arrivals) to 268,000 by the end of 2016 (4.4% per annum).

In aggregate, Australia the US and China are expected to contribute around 69% of the growth in visitor arrivals to New Zealand over the next seven years. There are also good growth prospects for several emerging markets, most notably France, Brazil and India.

Executive Summary

Table 1: Forecasts of International Visitor Arrivals to New Zealand (000s)

Inbound Market	Actual				Forecasts				Growth 2010-16		
	2009	2010	2011	2012	2013	2014	2015	2016	Change	Total	Annual
Australia	1,083	1,155	1,216	1,241	1,279	1,316	1,356	1,395	312	28.8%	3.7%
United Kingdom	258	245	265	256	261	267	273	279	21	8.0%	1.1%
Germany	65	66	68	70	72	74	76	78	13	20.8%	2.7%
Netherlands	24	24	24	25	26	26	26	27	3	10.7%	1.5%
France	23	26	33	30	32	34	35	36	13	55.9%	6.6%
Ireland	17	14	18	15	16	16	17	18	1	4.0%	0.6%
Switzerland	15	16	16	16	16	16	16	16	1	10.0%	1.4%
Nordic Countries*	29	30	30	32	33	33	34	35	5	18.5%	2.5%
United States	198	198	215	232	244	254	262	268	70	35.5%	4.4%
Canada	49	49	51	52	53	54	56	57	8	16.4%	2.2%
Brazil	11	12	13	14	15	16	17	18	7	60.6%	7.0%
China	102	106	124	141	151	161	171	180	77	75.6%	8.4%
Japan	78	88	92	92	93	94	96	97	19	23.8%	3.1%
South Korea	53	67	75	80	85	89	92	93	40	76.4%	8.4%
Singapore	30	30	33	33	33	34	34	35	5	18.0%	2.4%
India	25	28	30	32	34	36	39	41	15	61.2%	7.1%
Hong Kong	24	25	26	26	26	26	27	27	4	16.2%	2.2%
Thailand	20	21	23	24	25	26	26	27	7	34.9%	4.4%
Malaysia	20	21	22	24	25	25	26	27	7	35.0%	4.4%
Taiwan	17	20	21	21	22	22	22	23	6	36.5%	4.5%
Middle East	23	25	26	27	28	28	29	30	6	27.2%	3.5%
South Africa	19	15	20	16	16	17	17	18	-1	-6.8%	-1.0%
TOTAL	2,448	2,538	2,709	2,767	2,860	2,949	3,035	3,117	669	27.3%	3.5%
Annual Change	0	90	172	58	93	88	87	82			
Annual Growth	0.0%	3.7%	6.8%	2.1%	3.4%	3.1%	2.9%	2.7%			

*Nordic Countries includes Denmark, Faeroe Islands, Finland, Greenland, Iceland, Norway and Sweden

Travel by New Zealand Residents

The recession caused New Zealanders to cut back on outbound travel and engage in more domestic travel, which is perceived to be more cost effective. This trend is starting to reverse now that the recession has ended.

Outbound trips are forecast to increase by 22.6% (430,000) to 2.35 million by the end of 2016, while domestic overnight trips are forecast to fall by 1.1% (220,000) to 19.44 million.

Table 2: Forecasts of Travel by New Zealand Residents (trips and nights in millions)

Travel by NZ Residents	Actual				Forecasts				Growth 2010-16		
	2009	2010	2011	2012	2013	2014	2015	2016	Change	Total	Annual
Outbound Trips	1.92	1.97	2.03	2.11	2.17	2.23	2.29	2.35	0.43	22.6%	3.0%
Domestic Travel											
Day Trips	36.34	36.32	36.23	36.25	36.34	36.45	36.56	36.67	0.33	0.9%	0.1%
Overnight Trips	19.66	19.58	19.46	19.42	19.42	19.42	19.43	19.44	-0.22	-1.1%	-0.2%
Total Trips	56.00	55.90	55.69	55.67	55.76	55.87	55.99	56.11	0.11	0.2%	0.0%
Visitor Nights	57.05	56.75	56.36	56.17	56.13	56.10	56.08	56.06	-0.99	-1.7%	-0.2%
Nights per Trip	2.90	2.90	2.90	2.89	2.89	2.89	2.89	2.88	-0.02	-0.6%	-0.1%

Introduction

The Ministry of Tourism's annual forecasting programme has been in place since 1999. The purpose of the programme is to produce reliable forecasts of tourism activity in New Zealand that can be used to support planning and investment processes in the tourism industry.

Scope

This report presents a summary of the national tourism forecasts produced within the forecasting programme.

The programme produces forecasts of tourism activity at the national (New Zealand) level and the regional (Regional Tourism Organisation) level. The national programme generates annual forecasts of international visitor arrivals, nights and expenditure; domestic trips, nights and expenditure; and short-term overseas trips by New Zealand residents.

The regional forecasts include international and domestic visits, nights and expenditure for each of New Zealand's 29 Regional Tourism Organisations (RTOs). The results are presented in separate reports for each RTO.

All of the forecasts in the programme are segmented by purpose of travel (holiday, visiting friends and family (VFR), business, education and other) and include activity generated by persons under 15 years of age. The segmented datasets can be downloaded from the Ministry of Tourism's website (see below).

Methodology and Assumptions

The forecasts are developed using statistical models and moderated using information provided by a panel of industry experts called the Delphi Group. The forecasts are demand-driven, and it is assumed that key supply variables will adjust accordingly. The forecasts incorporate the best information available as at June 2010.

The main assumptions affecting this year's forecasts relate to the performance of major economies. The economic downturn and recovery profiles used in the statistical modelling were sourced from the International Monetary Fund (IMF) and the Economist Intelligence Unit (EIU).

Delphi Ranges

Individual forecasts submitted by Delphi members have been used to calculate expected ranges for the forecasts. The ranges, referred to as Delphi Ranges, provide a useful sense check for the forecasts as well as an insight into the levels of uncertainty associated with each market.

More Information and Updates

The full forecasting programme, including regional and national reports and data tables, can be downloaded from www.tourismresearch.govt.nz/forecasts.

Forecasting Context

There is a growing sense of change in the New Zealand tourism industry. New Zealand's visitor portfolio is evolving in response to market conditions, booking patterns and distribution channels are changing, and the aviation sector is undergoing further transformation. These changes, driven by new technologies and rapidly evolving travel preferences, will affect different parts of the industry in different ways. In short, there will be winners and losers.

The forecasts presented herein establish a reasonable set of expectations for the New Zealand tourism industry for the next seven years. This year's forecasts are more optimistic than last year's due to the resilience of the tourism industry in 2009 and a range of factors that provide a sound platform for future growth.

Economic Uncertainty

The prospect of a deep global recession appears to have passed, but some major economies are still facing considerable uncertainty as government stimulus is withdrawn and austerity measures are implemented to manage debt levels. The Australian and major Asian economies have recovered quickly from the economic downturn, and the US is also showing signs of recovery.

The UK and Euro-area economies are the main concern at present, particularly with respect to rising government deficits and debt levels. Major economic reforms are now inevitable and economic growth rates are likely to remain low over the next 6-12 months at least.

Given the important link between economic performance and inbound tourism, the recovery profiles of our major inbound markets are likely to have a strong influence on patterns of tourism demand over the next 1-2 years.

Changing Market

New Zealand's visitor composition has changed significantly over the past decade, driven by changes in economic performance, exchange rates, aviation capacity and pricing, competition from other destinations, and general travel preferences. The major trends that have influenced New Zealand's visitor composition in recent years include:

- Strong growth in the Australian inbound market which now accounts for 44% of total arrivals (up from 31% in 2002).
- A sharp decline in Asian inbound market share despite rapid growth out of China. Asian arrivals now account for 16% of total arrivals (down from 23% in 2002).
- Moderate growth in European arrivals since 2002 but no change in market share.
- Practically no growth in arrivals from Northern America since 2002 and a falling market share.
- A drop in holiday market share from 53% in 2002 to 48% in 2009 and an increase in VFR market share from 26% to 32%.
- A sharp drop in organised tour and group activity, and a rise in independent travel.

This rapid evolution of the visitor composition has led to changes in booking patterns and lead times, booking channels, and the general travel and expenditure patterns of visitors to New Zealand.

The impact of these changes has been felt directly by tourism businesses in terms of demand and profitability, and is evident in the aggregate expenditure figures which have been relatively flat in recent years despite growing visitor numbers.

Forecasting Context

Two key messages can be distilled from the market intelligence gathered during the forecasting programme:

1. The visitor portfolio will continue to evolve in response to market conditions, creating opportunities for businesses that understand and adapt to the changes.
2. "Business as usual" is a moving target – tourism is being reshaped by structural shifts in aviation and technology that are permanently changing the dynamics of the industry.

Changing Fortunes

New Zealand's tourism industry has faced a challenging set of circumstances in recent years:

- Low cost carriers have magnified the price differential between short and long-haul travel, reducing demand for travel to long-haul destinations like New Zealand.
- New Zealand's share of voice has been diminished by competing destinations and an absence of promotional pedestals such as the Americas Cup and Lord of the Rings.
- The New Zealand dollar has been persistently strong relative to most major currencies.
- The recent economic downturn has had a disproportionate impact on long-haul travel.

These factors have led to a contraction in long-haul travel to New Zealand and a sharp increase in Australian arrivals. The net effect has been moderate growth in visitor arrivals and practically no growth in spend.

Indications are that 2011/12 will be a turning point for the New Zealand tourism industry, led by the Rugby World Cup in September/October 2011. The key drivers include:

- The overall market has less downward drag from key markets such as Japan and South Korea. Arrivals from these countries have already fallen to relatively low levels but have the potential to rebound as their economies improve.
- A range of new carriers and long-haul routes. Recent and expected air capacity announcements will be positive for the New Zealand tourism industry.
- The introduction of the Boeing 787 which has a theoretical flight range of around 15,000km. This will greatly expand the number of ports that can be reached directly from New Zealand.
- The emerging long-haul low cost carrier model. Jetstar and AirAsia X have successfully deployed this model in Australia, and Jetstar is now expanding the model to New Zealand with its recently announced Singapore-Auckland route. This business model will help to reduce the price differential between short and long-haul travel.
- Major promotional pedestals such as the Rugby World Cup 2011, the Volvo Ocean Race (February 2012), The Hobbit film (2012), and the ICC Cricket World Cup (2015).
- An additional \$30 million of funding for tourism marketing in the 2010/11 budget.
- Tourism New Zealand's new digital marketing strategy, which will change the way New Zealand is marketed internationally.
- Gradual improvement in the global economy, resulting in greater business and consumer confidence and more long-haul travel.

Forecasting Context

The outlook for the New Zealand tourism industry is therefore more optimistic than it has been for some time, although the upswing is not expected to gain full momentum until the summer of 2011/12. The current view is that the period between now and the Rugby World Cup will continue to be challenging for most tourism businesses.

Setting the 2010 Forecasts

The forecasting programme balances the factors influencing travel behaviour to establish a set of expectations for tourism activity in New Zealand. It is assumed that the worst is over for most major economies; fuel prices will not rise substantially above existing levels; and the price differential between short and long-haul travel will narrow over time.

Tourism is now a major industry in most countries and the competitive environment is constantly evolving as new destinations emerge, marketing budgets increase and aviation technologies and business models evolve. New Zealand has a range of unique and highly desirable tourism assets, but in a constantly evolving global market New Zealand's position must be frequently monitored and assessed to anticipate and respond to competitive threats.

It is also important to understand that markets will naturally ebb and flow as the competitive environment changes, and that resilience is built on the ability to understand and respond to these changes ahead of time. This will allow New Zealand to continue securing the considerable benefits delivered by the tourism industry.

The forecasts have been shaped by New Zealand's ability to respond quickly and effectively to change, as demonstrated in 2009, and gradually improving circumstances for long-haul travel. These factors, combined with New Zealand's enviable range of tourism assets and its proactive approach to tourism, provide a sound platform for future growth in the tourism economy.

Total World

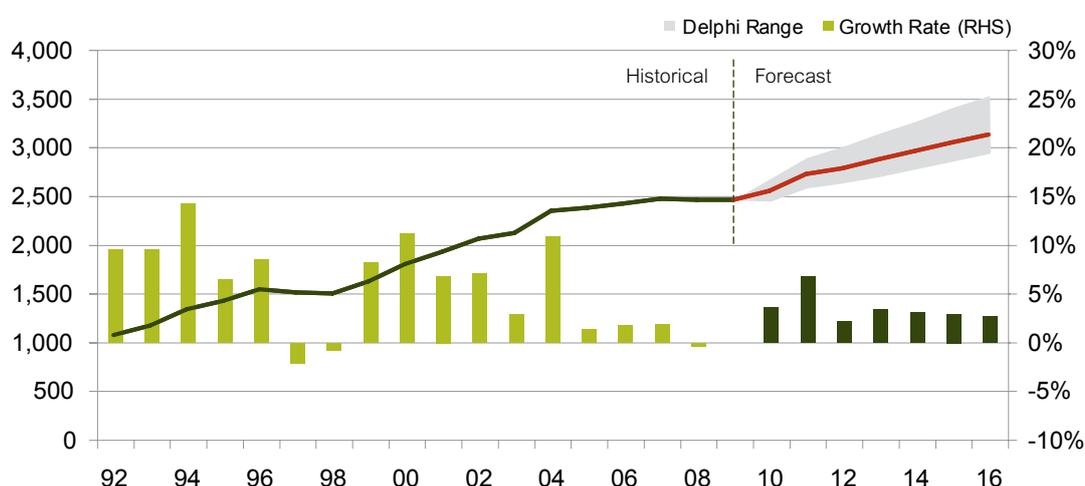
Forecast arrivals 2010-2016:

- Average annual growth **3.5%**
- Total World visitors in 2016 **3,117,000**

The long-term outlook for inbound tourism to New Zealand is positive, with a strong rebound expected in 2011/12 led by the Rugby World Cup in September/October 2011.

The forecast sits slightly below the middle of the Delphi Range, indicating a reasonable amount of upside potential over the next seven years. The Delphi Range on the aggregate forecast is generally narrower than the ranges on the individual markets. This reflects New Zealand's diverse visitor portfolio, which helps to balance risk, and the responsiveness of the New Zealand tourism industry to adverse events.

Figure 1: Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- Continued strength in the Australian market, particularly in the short-term, driven by airline competition and New Zealand's gradual transition from a destination that Australians would like to visit someday to a destination they intend to visit soon.
- Growth in long-haul air capacity driven by new services (recently announced or forthcoming), expansion of existing services, and the introduction of the long-range Boeing 787 which will expand the number of ports that can be reached directly from New Zealand.
- A rebound in Asian arrivals following the economic downturn and Influenza A (H1N1). The sharp drop in Asian arrivals in recent years has offset gains in other markets. A return to growth in these markets will have a significant positive impact on aggregate growth.
- Strong growth in US arrivals, driven mainly by growth in air capacity, and moderate growth in UK arrivals.

Total World

Visitor arrivals are forecast to increase by 27.3% across the forecast period to reach a total of 3.12 million by the end of 2016. This represents a total increase over the forecast period of 669,000 arrivals and an average increase of 3.5% per annum.

Table 3: Forecasts of Total Visitor Arrivals, Nights and Spend

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	2,448	0.0%	47,713	-2.1%	6,187	4.0%
2010	2,538	3.7%	48,690	2.0%	6,278	1.5%
2011	2,709	6.8%	51,351	5.5%	6,909	10.0%
2012	2,767	2.1%	51,875	1.0%	6,989	1.1%
2013	2,860	3.4%	53,424	3.0%	7,293	4.4%
2014	2,949	3.1%	54,898	2.8%	7,589	4.1%
2015	3,035	2.9%	56,358	2.7%	7,885	3.9%
2016	3,117	2.7%	57,721	2.4%	8,166	3.6%
Growth 2010-16	669	27.3%	10,008	21.0%	1,978	32.0%
Annual Average	96	3.5%	1,430	2.8%	283	4.0%

Short-term Outlook

Visitor arrivals are forecast to grow by 3.7% in 2010, although most of this increase will be driven by the Australian market and the rebound of Asian markets from Influenza A (H1N1). Aggregate arrivals are expected to increase over the 2010/11 summer period (Nov-Mar) but growth rates will vary across markets and travel segments.

The Rugby World Cup will generate a spike in visitor arrivals in September/October 2011 but it will also cause demand shifting (travellers shifting planned trips to either coincide with or avoid the event) and the loss of some travellers due to pricing and congestion issues.

Risks to the Forecasts

- Rising government deficits and debt levels in Europe which could suppress growth and/or lead to another economic downturn.
- A strong New Zealand dollar relative to the currencies of our major inbound markets.
- Slower than expected growth in Australian arrivals. This would reduce the overall growth forecast, particularly in the short-term.

Australia

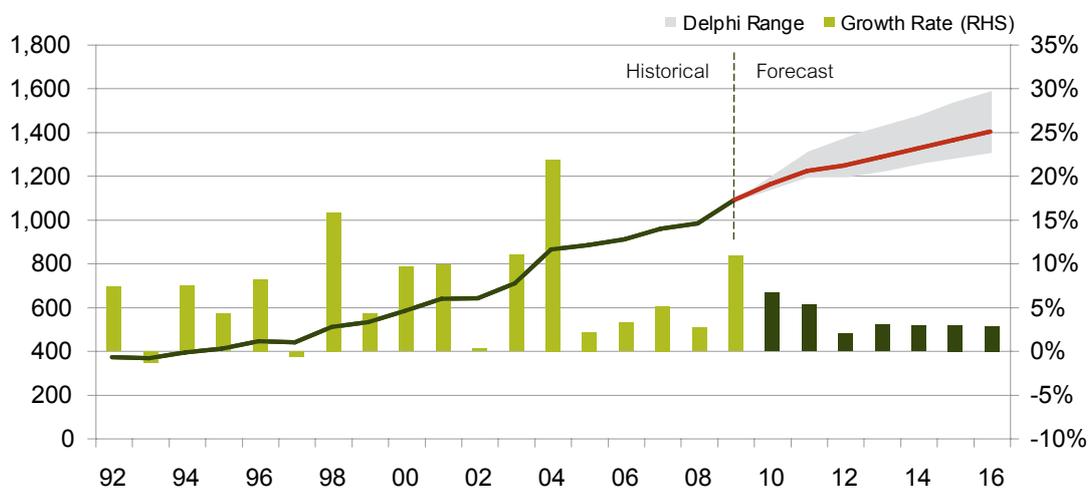
Forecast arrivals 2010-2016:

- Average annual growth **3.7%**
- Australian visitors in 2016 **1,395,000**

The outlook is positive for the Australian market. The highest growth rates are expected in the short-term, driven by greater destination awareness and Rugby World Cup 2011. Lower growth rates are expected in subsequent years.

Delphi members were optimistic about the prospects for the Australian market as reflected in the Delphi range which indicates strong upside potential.

Figure 2: Australian Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- Good long-term prospects for the Australian economy due to its significant resource base and relative proximity to fast growing Asian markets. This strength will continue to drive Australian outbound travel in the future, including to New Zealand.
- Strong friends and family linkages between Australia and New Zealand which will continue to drive growth in the visiting friends and relatives segment.
- Sustained price competition on trans-Tasman routes which will continue to stimulate demand for travel to New Zealand. The share of trans-Tasman airline seats operated by low cost carriers is expected to continue rising (it increased from 17% in 2008 to 24% in 2009), and this trend is likely to keep trans-Tasman airfares low.
- New Zealand's gradual transition from a destination that Australians would like to visit someday to one they intend to visit soon, and high rates of repeat visitation (around three quarters of Australian arrivals have been to New Zealand before).

Australia

Visitor arrivals from Australia are forecast to reach 1.16 million in calendar year 2010, increasing further to 1.40 million by 2016. This represents a total increase over the forecast period of 28.8% (312,000 arrivals) and an average growth rate of 3.7% per annum.

Table 4: Forecasts of Australian Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	1,083	10.9%	10,880	4.0%	1,776	13.0%
2010	1,155	6.7%	11,781	8.3%	1,862	4.9%
2011	1,216	5.3%	12,315	4.5%	2,008	7.8%
2012	1,241	2.0%	12,519	1.7%	2,057	2.4%
2013	1,279	3.1%	12,839	2.6%	2,137	3.9%
2014	1,316	2.9%	13,150	2.4%	2,216	3.7%
2015	1,356	3.0%	13,475	2.5%	2,297	3.7%
2016	1,395	2.9%	13,789	2.3%	2,377	3.5%
Growth 2010-16	312	28.8%	2,909	26.7%	601	33.8%
Annual Average	45	3.7%	416	3.4%	86	4.3%

Short-term Outlook

The Australian market is in the midst of a strong growth phase that is likely to extend into 2011. The factors driving this growth include:

- Strong growth in the popularity and accessibility of ski tourism. For example, direct air capacity into Queenstown is scheduled to increase by 45% this winter.
- Sustained price competition on trans-Tasman routes, complemented by a strong marketing presence in Australia.
- Rugby World Cup 2011 which is expected to attract a large number of Australian residents supporting a variety of teams.

Risks to the Forecasts

- Increased capacity and lower airfares to other short-haul destinations in the Asia-Pacific region, which would reduce New Zealand's competitiveness.
- An increase in airfares on trans-Tasman routes. Low airfares have been a key driver of growth in recent years.

United Kingdom

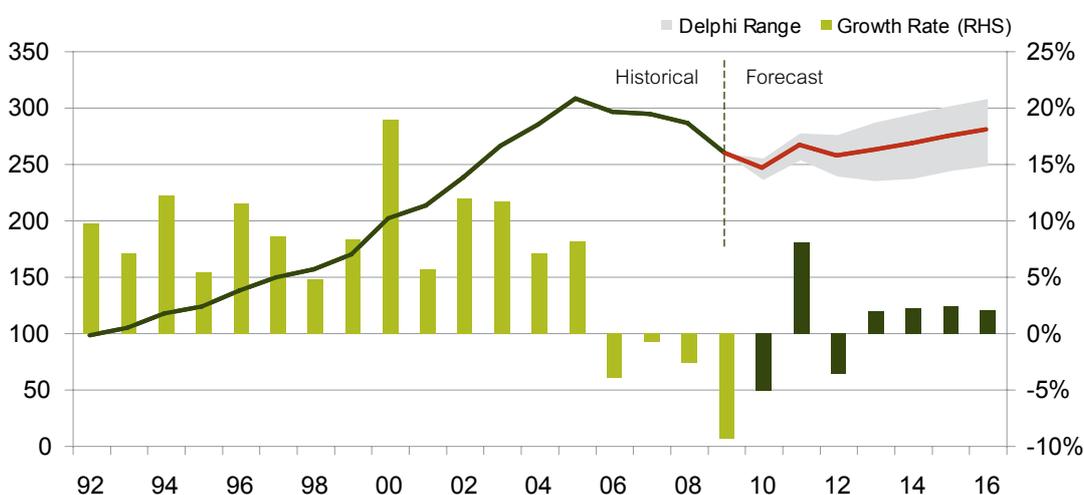
Forecast arrivals 2010-2016:

- Average annual growth **1.1%**
- United Kingdom visitors in 2016 **279,000**

Visitor arrivals are expected to bottom-out in 2010 at levels last seen in 2002/03, driven mainly by the economic issues currently facing the UK and EU economies. The strong recovery in 2011 is driven primarily by the Rugby World Cup, with visitor numbers falling back to a moderate growth trajectory thereafter.

Delphi members had mixed views on this market, as reflected in the Delphi range which indicates similar amounts of upside and downside risk across the forecast period.

Figure 3: UK Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- A recovery in the UK economy starting in 2011 which will lead to a gradual recovery in long-haul leisure travel. UK leisure travel to New Zealand contracted by 14% (20,000 arrivals) in 2009, accounting for 75% of the total fall in UK visitor arrivals.
- Lower growth rates than in previous years. The growth between 2000 and 2005 was driven by an exceptional set of circumstances including a massive increase in household wealth, significant media exposure (e.g. Lord of the Rings) and the Lions Series in 2005. This combination of circumstances is not likely to be repeated during the forecasting period.
- Strong friends and family linkages which will continue to drive long-term growth in the visiting friends and relatives segment. This segment accounts for more than 40% of the UK market and only fell by 2% (2,300 arrivals) in 2009.
- Rugby World Cup 2011 which will generate a one-off increase in visitor arrivals as well as promoting New Zealand as a travel destination through media coverage, leveraging activity and personal endorsements.

United Kingdom

Visitor arrivals are expected to grow by 8% over the forecast period to reach 279,000 by the end of 2016, despite a drop of 5% in 2010. This represents a total increase over the forecast period of 21,000 arrivals and an average growth rate of 1.1% per annum.

Table 5: Forecasts of UK Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	258	-9.3%	7,371	-10.1%	812	-11.0%
2010	245	-5.0%	7,002	-5.0%	752	-7.4%
2011	265	8.1%	7,566	8.1%	880	17.1%
2012	256	-3.5%	7,280	-3.8%	804	-8.7%
2013	261	2.0%	7,415	1.9%	830	3.3%
2014	267	2.2%	7,574	2.1%	860	3.6%
2015	273	2.4%	7,761	2.5%	894	4.0%
2016	279	2.1%	7,923	2.1%	926	3.6%
Growth 2010-16	21	8.0%	552	7.5%	114	14.1%
Annual Average	3	1.1%	79	1.0%	16	1.9%

Short-term Outlook

Based on current booking patterns UK arrivals are likely to contract further over the coming summer season (Nov-Mar) due to the combined impact of the economic downturn and a weak British Pound. It is also likely that some UK visitors will defer a summer trip to coincide with the Rugby World Cup in September/October 2011.

Risks to the Forecasts

- A slower than expected recovery in the UK economy would continue to suppress demand for long-haul leisure travel.
- Long-term weakness in the British Pound relative to the New Zealand Dollar.
- Increased taxation for travellers departing the United Kingdom.

United States

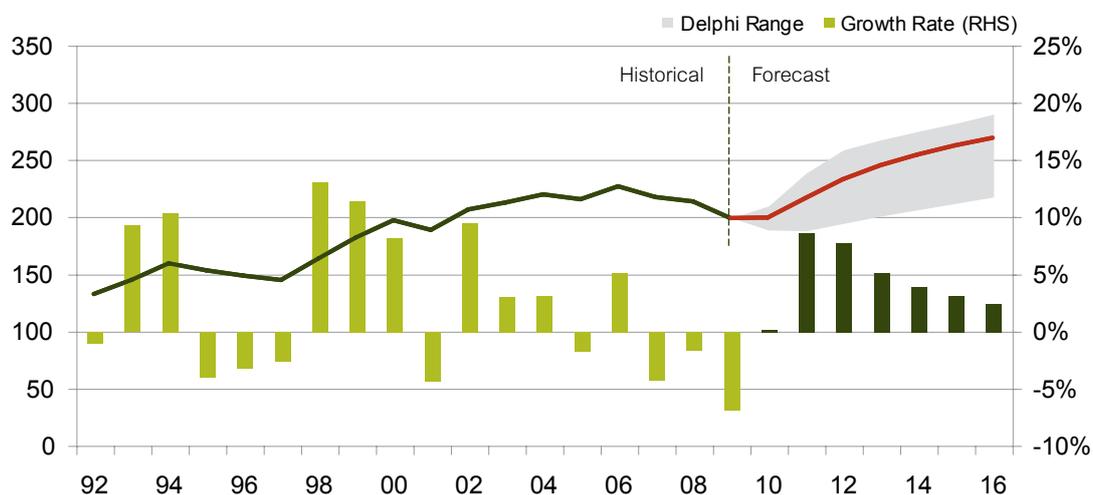
Forecast arrivals 2010-2016:

- Average annual growth **4.4%**
- American visitors in 2016 **268,000**

The outlook for US arrivals has been positively impacted by two recent air capacity announcements: increased frequency on Air New Zealand's existing Los Angeles and San Francisco services; and Continental Airlines' new Houston-Auckland 787 service which is scheduled to commence in November 2011. Another positive influence is Tourism New Zealand's decision to increase its marketing activity in the US.

Delphi members had mixed views on the US market, as reflected in the wide Delphi Range. The forecast sits near the top of the Delphi Range, driven by recent positive influences, but there is still a reasonable amount of perceived downside risk in the US market.

Figure 4: US Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- A recovery in the US economy beginning in 2010 with a return to long-term economic growth rates in 2011. The resulting lift in business and consumer confidence is expected to re-stimulate the market for international travel.
- A gradual increase in seat capacity to pre-recession levels on Air New Zealand's existing US routes (Los Angeles and San Francisco) starting in November 2010.
- The increase in travel demand generated by Continental Airlines' new Houston-Auckland service which is scheduled to start in November 2011. The service is likely to operate daily during peak season, and five days per week off-peak. Continental Airlines will be the first US airline to fly to New Zealand since United Airlines exited the market in 2003.
- A rebound in the cruise ship market in 2011/12 as US cruise operators deploy additional ships to the Oceania region.

United States

Visitor arrivals are forecast to grow by 35.5% over the next seven years to reach 268,000 by the end of 2016. This represents a total increase of 70,000 arrivals over the forecast period and an average growth rate of 4.4% per annum.

Table 6: Forecasts of US Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	198	-6.9%	3,427	-4.0%	597	-3.2%
2010	198	0.2%	3,485	1.7%	603	1.0%
2011	215	8.7%	3,768	8.1%	669	11.0%
2012	232	7.8%	4,043	7.3%	729	9.0%
2013	244	5.2%	4,244	5.0%	776	6.4%
2014	254	3.9%	4,410	3.9%	816	5.2%
2015	262	3.2%	4,553	3.2%	852	4.4%
2016	268	2.5%	4,671	2.6%	883	3.7%
Growth 2010-16	70	35.5%	1,244	36.3%	286	48.0%
Annual Average	10	4.4%	178	4.5%	41	5.8%

Short-term Outlook

US arrivals are forecast to remain flat in 2010 despite contracting by around 4% in the first four months of the year. Winter bookings are up on the same period last year, and Air New Zealand recently announced seat capacity increases on its San Francisco and Los Angeles services between November 2010 and March 2011. These changes will partially offset the capacity reductions implemented by Air New Zealand in the past two years.

Risks to the Forecasts

- A slower than expected recovery in the US economy would delay the rebound in US arrivals to New Zealand.
- Lower than expected growth in cruise ship tourism.
- Continued weakness in the US dollar would reduce New Zealand's competitiveness.
- Cancellation or deferral of Continental Airlines' Houston-Auckland service before its scheduled commencement in November 2011.
- Changes in aviation capacity and/or pricing between the US and Australia which could alter the dynamics of the market.

China

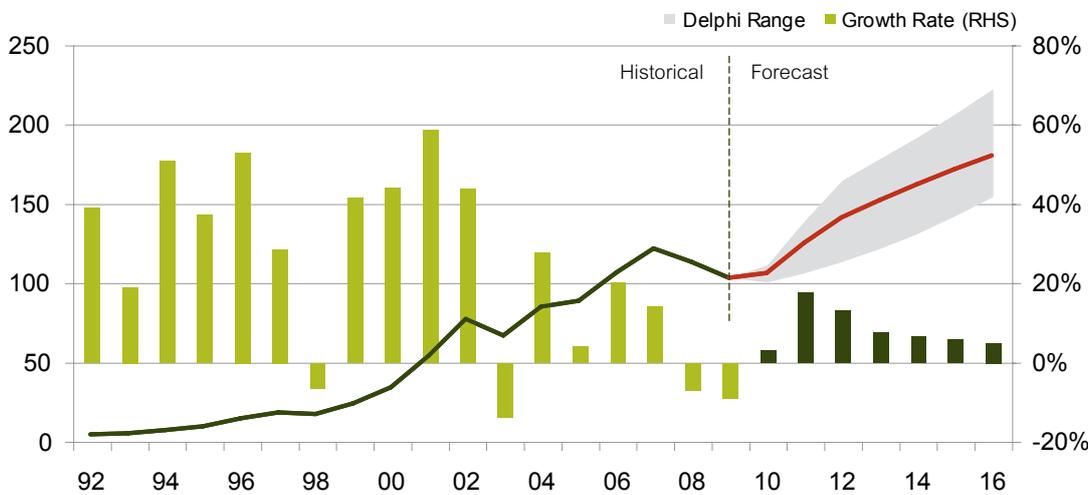
Forecast arrivals 2010-2016:

- Average annual growth **8.4%**
- Chinese visitors in 2016 **180,000**

The long-term outlook for Chinese inbound travel is positive due to rapid growth in international travel demand and the likely growth in air capacity between China and New Zealand.

The spread in the Delphi Range reflects the enormous potential of the Chinese market as well as its vulnerability as a relatively immature market. The main long-term challenge for New Zealand is extracting sufficient value from Chinese visitors.

Figure 5: Chinese Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- High rates of economic growth and a rapidly expanding middle class. New Zealand is a desirable destination for Chinese travellers and can expect to benefit from this growth despite the expansion in the number of countries with Approved Destination Status (ADS).¹
- Direct services to Beijing and Shanghai which provide a sound platform for growth.
- Expected growth in air capacity between China and New Zealand during the forecast period, including the entry of one or more Chinese carriers.
- The expanding Chinese population in New Zealand which will continue to drive growth in the visiting friends and relatives segment.
- The New Zealand-China Free Trade Agreement which will increase Chinese business travel to New Zealand.
- Growth in the Chinese export education market which will have a positive impact on both education and VFR arrivals.

¹ ADS is a bilateral agreement with the Chinese government that allows destination countries to open a tourist office in China and market to tourists and organised group leisure tours.

China

Visitor arrivals are expected to grow by 75.6% over the forecast period to reach 180,000 by the end of 2016. This represents a total increase of 77,000 arrivals over the forecast period and an average growth rate of 8.4% per annum.

Table 7: Forecasts of Chinese Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	102	-9.0%	1,968	15.8%	337	27.0%
2010	106	3.2%	2,133	8.4%	369	9.5%
2011	124	17.8%	2,315	8.6%	423	14.7%
2012	141	13.1%	2,477	7.0%	475	12.2%
2013	151	7.7%	2,617	5.7%	513	8.1%
2014	161	6.7%	2,746	4.9%	550	7.2%
2015	171	5.9%	2,875	4.7%	586	6.5%
2016	180	5.0%	2,996	4.2%	619	5.7%
Growth 2010-16	77	75.6%	1,028	52.2%	283	83.9%
Annual Average	11	8.4%	147	6.2%	40	9.1%

Short-term Outlook

High growth rates are expected during the current winter period off the low base created by Influenza A (H1N1) in 2009. This rebound is the primary driver of the forecast growth in Chinese arrivals in 2010. The summer 2010/11 period (Nov-Mar) is expected to be up significantly on the relatively low 2009/10 base due to strong economic growth and the likelihood of additional China-New Zealand air capacity.

Risks to the Forecasts

- Chinese visitors have lower satisfaction levels than visitors from other markets, often due to low quality shopping and transport experiences. This reputation risk should be reduced by recent changes to the ADS code that require retailers and transport operators serving Chinese tour groups to be Qualmark accredited.
- The reduction or loss of direct air capacity between China and New Zealand.

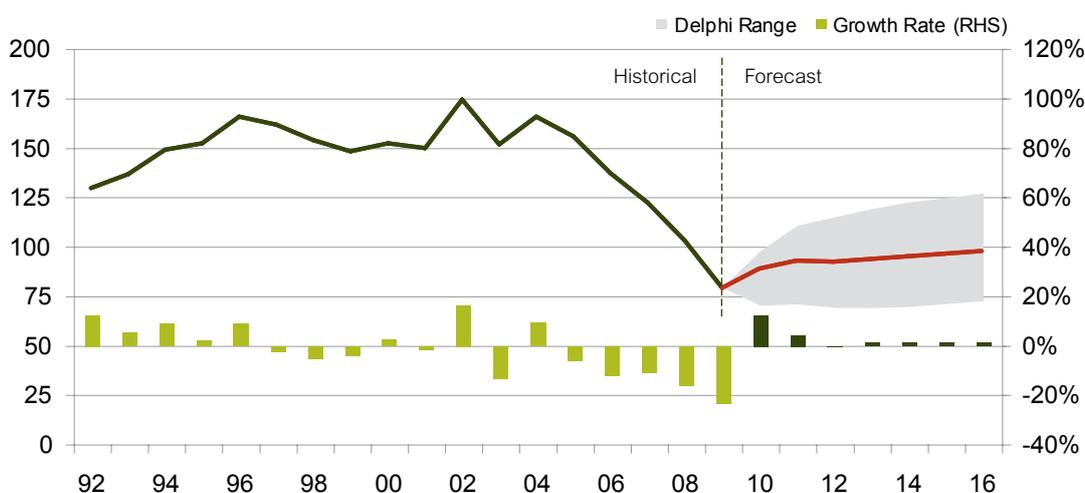
Japan

Forecast arrivals 2010-2016:

- Average annual growth **3.1%**
- Japanese visitors in 2016 **97,000**

A rebound in Japanese arrivals is forecast in 2010 due to the return of the approximately 12,000 visitors displaced by Influenza A (H1N1) in 2009. Moderate growth is expected thereafter. The spread in the Delphi Range reflects the uncertainty surrounding the Japanese market and indicates that a return to peak levels is unlikely.

Figure 6: Japanese Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- A rebound in 2010 following the displacement caused by Influenza A (H1N1) in 2009. A similar recovery was observed following SARS in 2003.
- A declining and ageing population which is causing a gradual contraction in the Japanese outbound travel market.
- The shift towards short-haul travel within Asia, which is likely to result in a static or shrinking long-haul outbound market. This limits the scope for growth.
- Some of the charter flights cancelled in 2008 and 2009 will be re-established from 2010 onwards.
- Air New Zealand recently announced a 6.7% increase in seats on Japan routes between November 2010 and March 2011. This will offset some of the capacity reductions implemented over the past two years.

Japan

Visitor arrivals are expected to grow by 23.8% over the forecast period to reach 97,000 by the end of 2016. This represents a total increase of 19,000 arrivals over the forecast period and average growth of 3.1% per annum.

Table 8: Forecasts of Japanese Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	78	-23.5%	1,274	-19.3%	379	-9.6%
2010	88	12.4%	1,515	18.9%	389	2.6%
2011	92	4.4%	1,552	2.4%	401	3.2%
2012	92	-0.4%	1,523	-1.8%	390	-2.9%
2013	93	1.4%	1,541	1.1%	397	1.8%
2014	94	1.4%	1,559	1.2%	404	1.9%
2015	96	1.4%	1,576	1.1%	412	1.8%
2016	97	1.4%	1,593	1.1%	419	1.7%
Growth 2010-16	19	23.8%	319	25.0%	40	10.6%
Annual Average	3	3.1%	46	3.2%	6	1.4%

Short-term Outlook

High growth rates are expected during the current winter period off the low base created by Influenza A (H1N1) in 2009. This growth is the main driver of the expected rebound in Japanese arrivals in 2010. The summer 2010/11 period (Nov-Mar) is expected to be up around 6% relative to the previous year, which is broadly in line with Air New Zealand's scheduled capacity increase of 6.7%.

Risks to the Forecasts

- Another economic shock that causes further reductions in long-haul travel.
- Increased competition from Australia which captures a disproportionately high share of Japanese travel relative to New Zealand. Jetstar is gradually increasing its Japan-Australia capacity and currently does not have a strong commercial incentive to promote dual destination travel.

South Korea

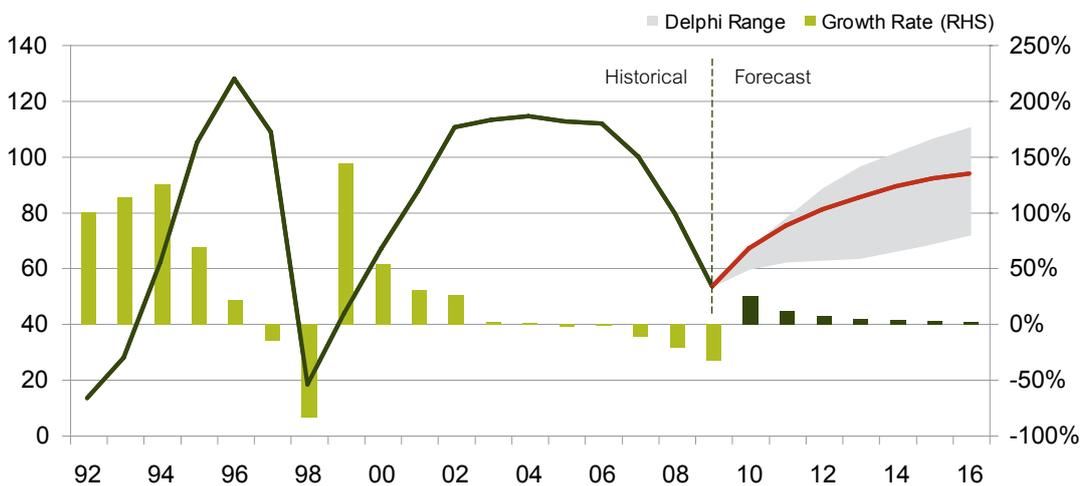
Forecast arrivals 2010-2016:

- Average annual growth **8.4%**
- South Korean visitors in 2016 **93,000**

The South Korean market is characterised by periods of rapid growth and decline. The historical pattern represents strong underlying demand for travel to New Zealand disrupted by two major economic shocks. The rates and magnitudes of the rises and falls demonstrate the extreme responsiveness of this market to changes in economic conditions.

South Korean arrivals are forecast to grow rapidly over the next 2-3 years as the economy rebounds from the downturn. Delphi members had mixed views on this market, as reflected in the Delphi Range which indicates a reasonable amount of downside risk across the forecast period.

Figure 7: South Korean Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- History suggests that the South Korean market will rebound strongly following the sharp negative impact of the economic downturn and Influenza A (H1N1).
- Strong long-term growth in the South Korean economy – the Bank of Korea recently raised its GDP growth forecasts for 2010 and 2011 to 5.2% and 4.8% respectively. This will drive long-term demand for outbound travel, including to New Zealand.
- Visitor arrivals are unlikely to reach previous peaks due to changes in shopping commission arrangements which have caused some operators to leave the market.² The shift towards short-haul travel at the expense of long-haul travel also imposes a constraint on long-term growth.

²These arrangements allowed tour operators to offer heavily discounted travel packages to New Zealand, subsidised by commissions earned on retail purchases. Tourism authorities in New Zealand and Australia began regulating these arrangements in 2007 due to concerns about the practices employed by some tour operators to increase retail revenues. In the absence of these arrangements several tour operators dropped out of the market, resulting in an immediate drop in visitor numbers.

South Korea

Visitor arrivals are expected to grow by 76.4% over the forecast period to reach 93,000 by the end of 2016. This represents a total increase of 40,000 arrivals over the forecast period and average growth of 8.4% per annum.

Table 9: Forecasts of South Korean Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	53	-33.1%	1,403	-18.3%	193	-3.3%
2010	67	25.8%	1,540	9.8%	224	15.8%
2011	75	12.2%	1,629	5.8%	243	8.4%
2012	80	7.7%	1,680	3.1%	254	4.5%
2013	85	5.5%	1,720	2.4%	263	3.6%
2014	89	4.5%	1,768	2.8%	274	4.1%
2015	92	3.2%	1,812	2.5%	284	3.8%
2016	93	1.9%	1,838	1.4%	291	2.5%
Growth 2010-16	40	76.4%	435	31.0%	98	50.5%
Annual Average	6	8.4%	62	3.9%	14	6.0%

Short-term Outlook

Strong growth is forecast over the next 12 months as the South Korean market rebounds following the economic downturn and Influenza A (H1N1). High growth rates are expected through the winter period off the low base created by Influenza A (H1N1) in 2009. The summer period is also expected to be strong as increasing confidence drives growth in outbound leisure travel. Some displacement of South Korean visitors is expected during the Rugby World Cup in September/October 2011.

Risks to the Forecasts

- Korean Air is currently the only provider of direct air capacity between South Korea and New Zealand. This may lead to capacity constraints and/or high prices during peak periods which could limit growth.
- Long-term weakness in the South Korean Won relative to the New Zealand dollar.

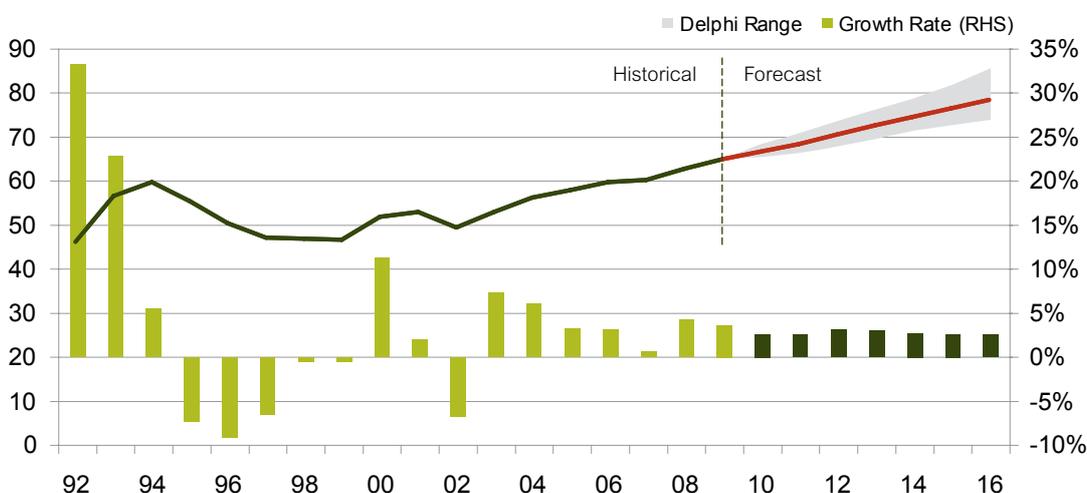
Germany

Forecast arrivals 2010-2016:

- Average annual growth **2.7%**
- German visitors in 2016 **78,000**

The outlook for the German market is a continuation of the steady growth observed over the past decade. This optimism is based on good product alignment (Germans like what New Zealand has to offer), high travel propensities and the proven resilience of the German travel market to economic shocks. The Delphi Range for Germany is quite narrow which indicates a low level of perceived risk, particularly when compared against other markets.

Figure 8: German Visitor Arrivals to New Zealand (000s)



Drivers of the Forecasts

- Proven resilience during economic downturns – visitor arrivals to New Zealand have grown during the last two recessions in Germany (2004 and 2009).
- Good aviation linkages – Germans can access New Zealand with one international stopover through several different carrier and route combinations. Having such a wide range of flight options makes it easier to reduce the cost of flying to New Zealand.
- The types of travellers that New Zealand attracts – mainly young backpackers – are less likely to be affected by economic cycles. This results in more stable and predictable demand patterns.
- Germans have a high propensity to travel and are a good match for the experiences that New Zealand offers. At this stage there are no strong reasons for the German market to deviate from its current growth path.

Germany

Visitor arrivals from Germany are forecast to reach 78,000 by the end of 2016. This represents a total increase over the forecast period of 20.8% (13,000 arrivals) and an average increase of 2.7% per annum.

Table 10: Forecasts of German Visitor Activity

Calendar Year	Arrivals		Nights		Spend	
	000s	Growth	000s	Growth	\$NZm	Growth
2009 actual	65	3.6%	2,890	9.2%	293	22.5%
2010	66	2.6%	2,924	1.2%	288	-1.6%
2011	68	2.6%	3,019	3.2%	305	5.7%
2012	70	3.1%	3,127	3.6%	320	5.0%
2013	72	3.0%	3,237	3.5%	335	4.9%
2014	74	2.7%	3,341	3.2%	351	4.5%
2015	76	2.6%	3,446	3.1%	366	4.4%
2016	78	2.5%	3,551	3.0%	382	4.2%
Growth 2010-16	13	20.8%	661	22.9%	88	30.2%
Annual Average	2	2.7%	94	3.0%	13	3.8%

Short-term Outlook

Slow, stable growth in German arrivals is forecast over the next 12-18 months. The summer 2010/11 period (Nov-Mar) is expected to be up around 4% relative to the previous year, which is broadly in line with the growth experienced in the 2009/10 summer season.

Risks to the Forecasts

- Competition from emerging adventure destinations such as South America, India, China and Africa.
- Long-term weakness in the Euro relative to the New Zealand dollar which would increase the cost of visiting New Zealand.

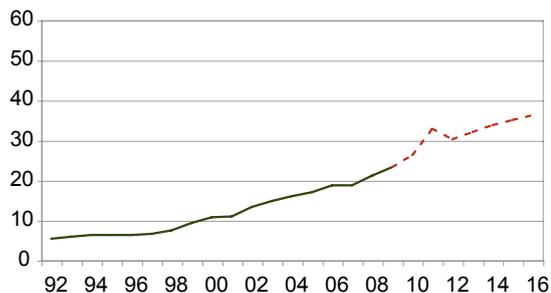
Secondary Markets

New Zealand's primary inbound markets have, with the exception of Australia and Germany, performed relatively poorly in recent years. The reasons for this are varied, but include economic factors, exchange rates, competition from new destinations and structural changes in aviation markets. New Zealand is fortunate to have several fast growing secondary markets that have helped to counter this effect and still have significant growth potential.

France

France is a large and wealthy country with good air links to New Zealand. French arrivals have grown by 8% per annum over the past five years without any major marketing effort, and interest levels are high for the Rugby World Cup. France is increasingly being compared with Germany in terms of both travel style (typically long-staying visitors that travel extensively within New Zealand) and potential market size.

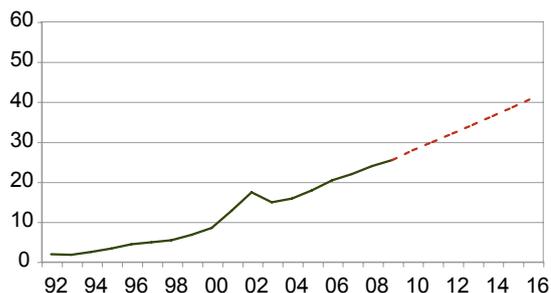
Figure 9: Arrivals from France (000s)



India

India has a population of over 1 billion and a rapidly growing middle class. It has the potential to be a good inbound market for New Zealand because travellers are generally familiar with Western culture and most visits to New Zealand occur in May/June (counter-seasonal). At present the main constraint is air capacity, although the 787 may be capable of flying direct between Mumbai and Auckland.

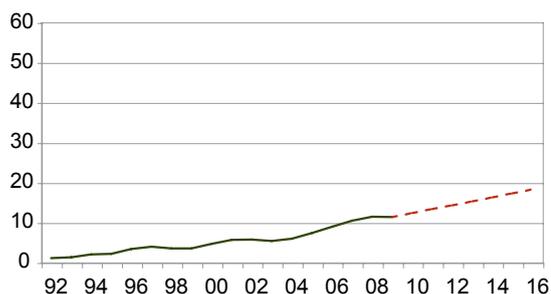
Figure 10: Arrivals from India (000s)



Brazil

Brazil is a huge market (population of 192 million) with significant pockets of wealth and growing business and family links with New Zealand. There are currently no direct air services between New Zealand and Brazil but two-sector travel is available from Sao Paulo via Buenos Aires, Santiago and the US. Increased airline interest in South American ports is likely to result in an expansion in aviation capacity over time.

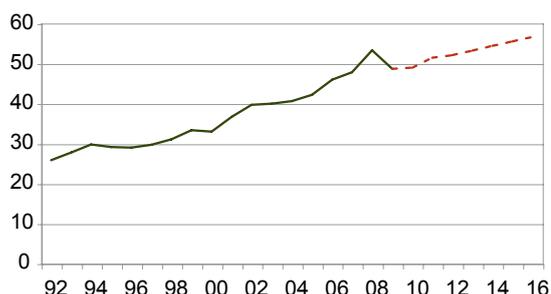
Figure 11: Arrivals from Brazil (000s)



Canada

Canada is a good, stable long-term prospect for New Zealand. Air New Zealand's direct Auckland-Vancouver service provides good connectivity that has had a positive impact on travel between the two countries. Canada has a stable economy, strong affinity with the environment and major oil reserves, all of which should ensure that consumer demand remains strong in the foreseeable future.

Figure 12: Arrivals from Canada (000s)



Secondary Markets

Arrivals from most of New Zealand's secondary markets are expected to grow without any major marketing stimulation, although aviation capacity will continue to play a critical role. More detail on these markets can be found in Table 1 on Page 3.

Figure 13: Arrivals from Nordic Countries³ (000s)

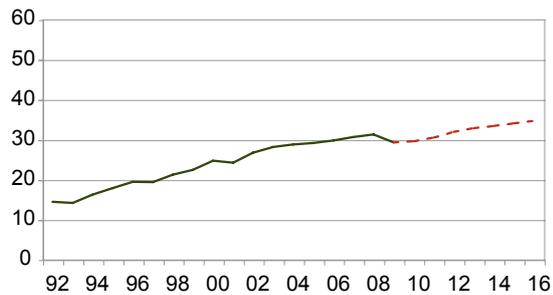


Figure 14: Arrivals from Singapore (000s)



Figure 15: Arrivals from Malaysia (000s)

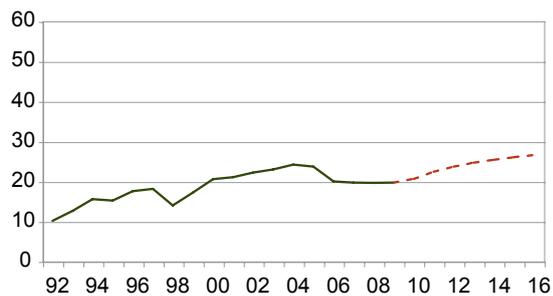


Figure 16: Arrivals from the Middle East (000s)

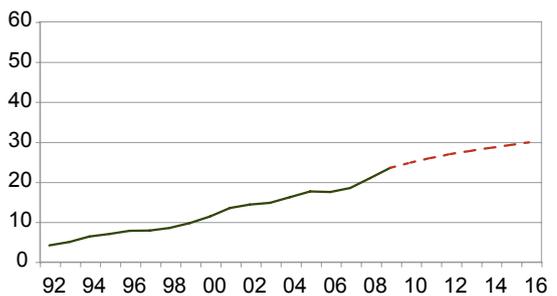


Figure 17: Arrivals from Hong Kong (000s)

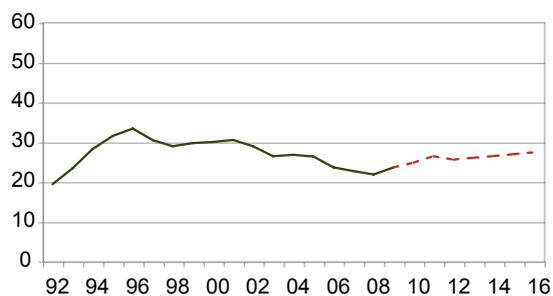


Figure 18: Arrivals from the Netherlands (000s)

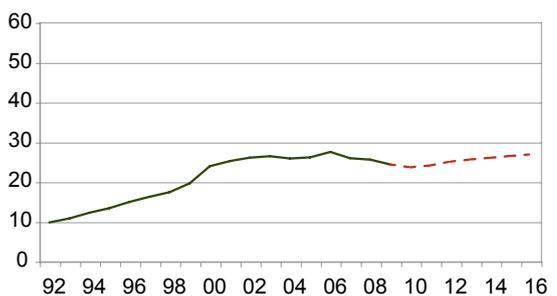


Figure 19: Arrivals from Thailand (000s)

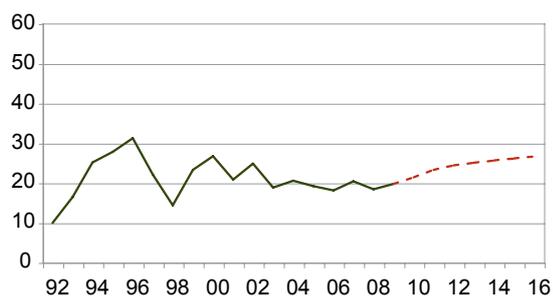
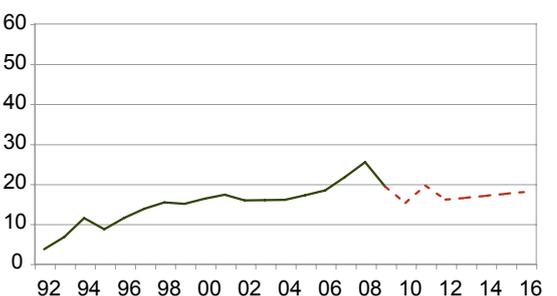


Figure 20: Arrivals from South Africa (000s)



³ The Nordic Countries group comprises Denmark, Faeroe Islands, Finland, Greenland, Iceland, Norway and Sweden

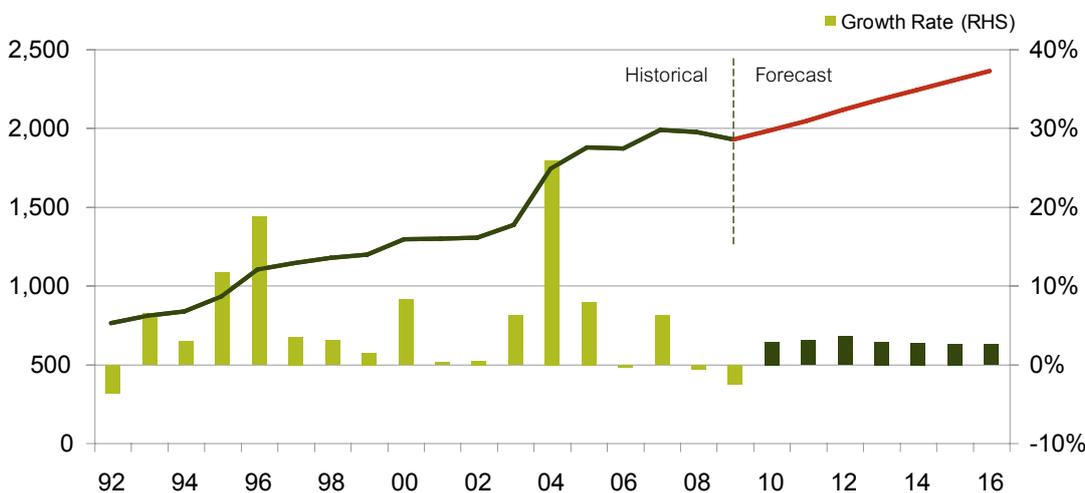
Travel by New Zealand Residents

Travel by New Zealand residents encompasses both outbound travel (overseas trips) and domestic travel (trips within New Zealand). The recession in 2008/09 caused a temporary contraction in outbound travel and a broadly commensurate increase in domestic travel. The improving economic conditions in New Zealand appear to be causing a gradual reversal in this trend.

Outbound Travel

Outbound trips are forecast to recover broadly in line with the New Zealand economy, although the attraction and expense of the Rugby World Cup is likely to push the latter stages of the rebound into 2012. A return to trend growth is expected thereafter. Outbound trips are forecast to reach 2.35m by the end of 2016 which represents a total increase over the forecast period of 22.6% (434,000 trips) and an average increase of 3.0% per annum.

Figure 21: Outbound Trips by New Zealand Residents (000s)



Growth in travel to Australia is expected to account for almost half the forecast growth in outbound trips by New Zealanders over the next seven years. Trips to most destinations are forecast to grow by around 3% per annum – the main exception is travel to China which is expected to grow at almost twice the average rate (5.6% per annum).

Table 11: Forecasts of Outbound Trips by New Zealand Residents (000s)

Calendar Year	Aust.	Fiji	US	UK	China	Cook Is.	Other	Total	Change
2009 actual	944	92	88	87	56	56	593	1,917	-2.5%
2010	958	98	93	87	61	58	618	1,973	2.9%
2011	985	101	95	89	67	60	636	2,034	3.1%
2012	1,024	105	100	93	71	62	653	2,107	3.6%
2013	1,055	108	104	96	74	63	670	2,170	3.0%
2014	1,086	111	106	99	77	65	688	2,231	2.8%
2015	1,117	113	108	101	80	67	705	2,291	2.7%
2016	1,148	116	110	104	82	68	722	2,351	2.6%
Growth 2010-16	204	24	22	17	26	13	129	434	
Total	21.6%	25.7%	25.1%	19.1%	46.1%	22.9%	21.8%	22.6%	
Annual Average	2.8%	3.3%	3.2%	2.5%	5.6%	3.0%	2.9%	3.0%	

Travel by New Zealand Residents

Domestic Travel

New Zealanders generated 19.66 million domestic overnight trips in 2009 and 57.05 million visitor nights. Domestic visitor activity is forecast to contract slightly in the next three years as the economic recovery causes some New Zealanders to shift away from domestic travel and towards international travel.

Figure 22: Domestic Overnight Trips by New Zealand Residents (000s)

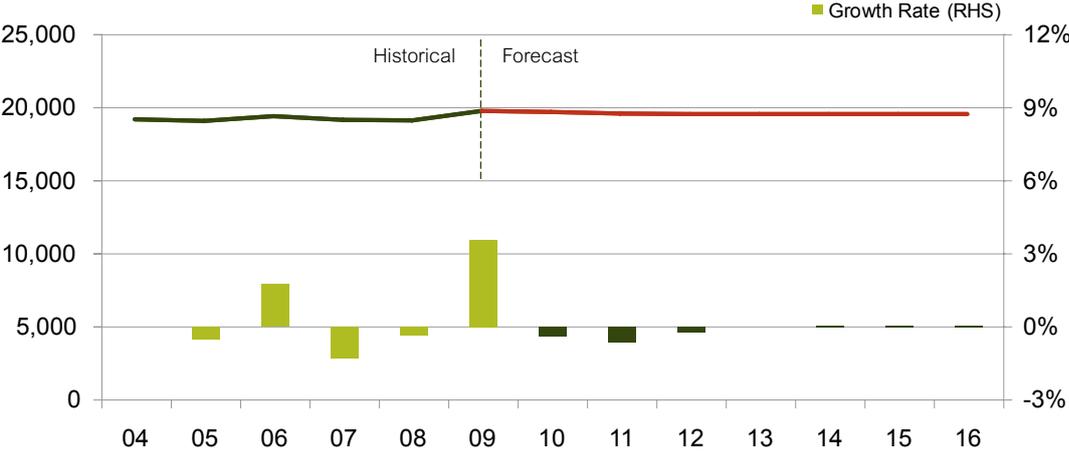


Figure 23: Domestic Visitor Nights by New Zealand Residents (000s)

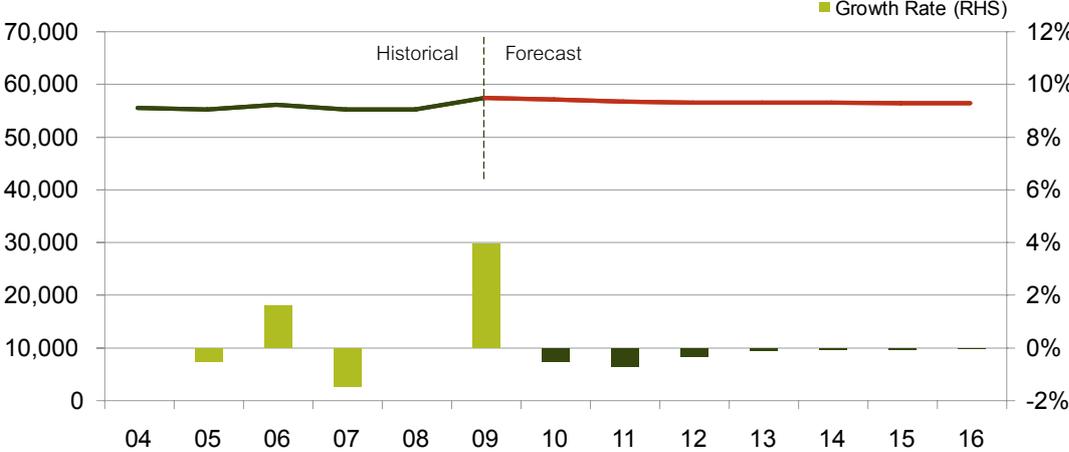


Table 12: Forecasts of Domestic Travel Activity by New Zealand Residents

Calendar Year	Day Trips (millions)	Overnight Trips (millions)	Visitor Nights (millions)	Nights per Trip
2009 actual	36.34	19.66	57.05	2.90
2010	36.32	19.58	56.75	2.90
2011	36.23	19.46	56.36	2.90
2012	36.25	19.42	56.17	2.89
2013	36.34	19.42	56.13	2.89
2014	36.45	19.42	56.10	2.89
2015	36.56	19.43	56.08	2.89
2016	36.67	19.44	56.06	2.88
Growth 2010-16	0.33	-0.22	-0.99	-0.02
Total	0.9%	-1.1%	-1.7%	-0.6%
Annual Average	0.1%	-0.2%	-0.2%	-0.1%

Evolution of the Forecasts

The Ministry of Tourism's forecasts of visitor arrivals continue to evolve in response to changing market conditions.

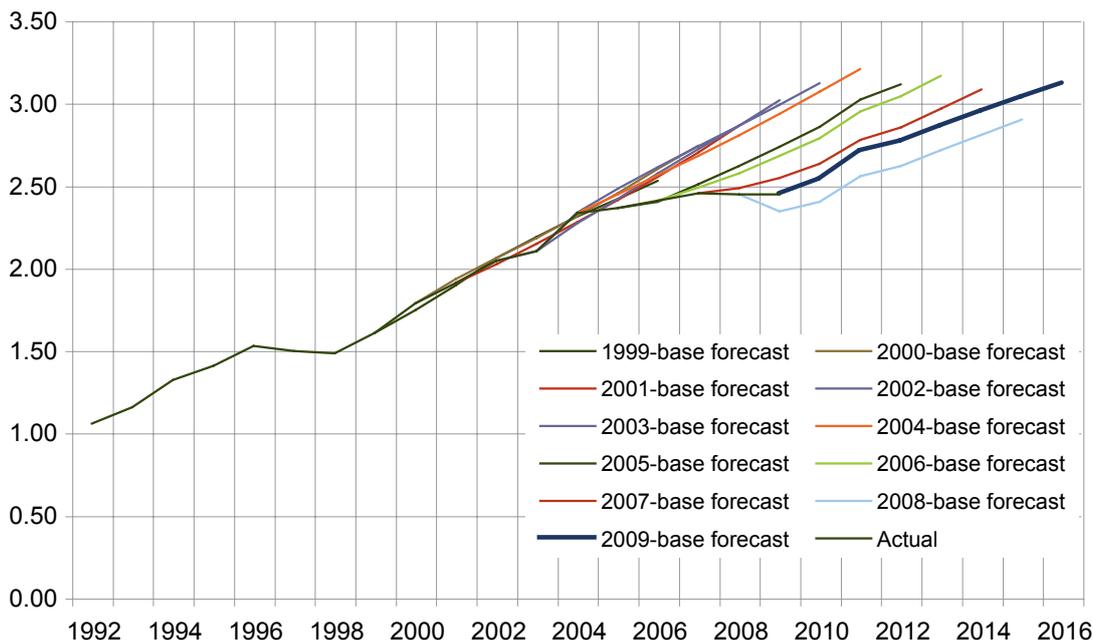
The earlier forecasts were based on a history of strong and consistent growth, and a belief that this growth would continue. However, there has been a noticeable change in the growth profile since 2005.

The forecasts initially assumed this change was temporary, and that arrivals would eventually revert to pre-2005 growth rates. However, the industry now believes that some of the recent flattening in growth has been caused by structural changes driven by factors beyond New Zealand's control e.g. the rapid increase in short-haul travel in Asia.

As a result, the forecasting programme has given less weight to the pre-2005 growth rates over time. This revision is clearly evident in the gradual flattening of the forecasts on the graph below.

Conducting annual updates has allowed the forecasts to respond to these changes as they occur, while putting in place a formal process for understanding these changes and communicating them to a wide range of tourism stakeholders.

Figure 24: Summary of Visitor Arrivals Forecasts (millions)



Performance of Past Forecasts

The 2008-base forecasts generally understated actual tourism activity in 2009. International visitor arrivals were understated by 4.2%, international visitor nights by 5.0% and outbound trips by 1.4%. The accuracy of the domestic forecasts cannot be assessed this year due to a re-basing of the domestic data in 2009.

Table 13: Performance of Past Forecasts

Key Tourism Indicators	2008 Actual	2009 Actual	2009 Forecast	Deviation from Actual	Direction Picked?
Visitor Arrivals ('000s)					
Australia	976	1,083	1,032	-4.6%	Yes
United States	212	198	186	-5.7%	Yes
Canada	53	49	48	-0.4%	Yes
Japan	102	78	74	-5.5%	Yes
South Korea	79	53	50	-5.4%	Yes
China	112	102	96	-6.5%	Yes
United Kingdom	285	258	248	-3.9%	Yes
Germany	62	65	63	-2.5%	Yes
Rest of World	617	562	545	-3.0%	Yes
TOTAL WORLD	2,447	2,448	2,344	-4.2%	No
Visitor Nights ('000s)					
Australia	10,463	10,880	10,650	-2.1%	Yes
United States	3,570	3,427	3,133	-8.6%	Yes
Canada	1,255	1,160	1,150	-0.9%	Yes
Japan	1,578	1,274	1,160	-8.9%	Yes
South Korea	1,717	1,403	1,315	-6.3%	Yes
China	1,699	1,968	1,483	-24.6%	No
United Kingdom	8,197	7,371	7,007	-4.9%	Yes
Germany	2,647	2,890	2,669	-7.6%	Yes
Rest of World	17,604	17,340	16,751	-3.4%	Yes
TOTAL WORLD	48,729	47,713	45,320	-5.0%	Yes
Outbound ('000s)					
Australia	950	944	936	-0.9%	Yes
United States	93	88	89	1.5%	Yes
Canada	20	19	20	0.8%	No
China	59	56	55	-2.3%	Yes
Thailand	30	31	28	-7.7%	No
India	28	29	28	-3.4%	No
United Kingdom	93	87	89	1.5%	Yes
Fiji	99	92	83	-10.5%	Yes
Cook Islands	53	56	55	-0.5%	Yes
Samoa	38	41	41	-1.4%	Yes
Rest of World	502	472	467	-1.1%	Yes
TOTAL WORLD	1,965	1,917	1,890	-1.4%	Yes
Domestic					
Trips ('000s)					
Visitor Nights ('000s)	Not directly comparable this year due to re-basing of domestic travel data in 2009				
Average Stay (nights)	Not directly comparable this year due to re-basing of domestic travel data in 2009				

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