



TOURISM LEADING INDICATORS MONITOR

SERIES 2006/7 **OCTOBER 2006** NEW ZEALAND

This edition updates new data on:

- Inbound and Outbound Travel Sep06 • Commercial Accommodation Aug06 •

Highlights from the latest statistics include: Visitors from China exceeded 100,000 for the first time for the year ended September. In August, Ruapehu recorded the highest number of guest nights in any given month, reflecting a very strong ski season.

This edition looks at the expected level of inbound travel in the high summer season - a positive outlook is forecast.

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ISSN 1175-8589



COMMENTARY

A positive summer season is forecast for international visitor arrivals

The tourism industry is about to enter its peak season. Feedback from the industry indicates that the summer season will be better than last year but is not expected to be exceptional.

Total international visitor arrivals in the latest two months were tracking at 2.5% above last year. This was largely driven by the positive performance from the Chinese, Australian, South Korean and German markets. The UK and USA were tracking close to the level achieved last year, with the Japanese market falling considerably below last year's performance by 12.5%.

Peak season visitor arrivals - International visitors are expected to arrive in large numbers in November (about 220,000) reaching their peak in December (316,000). The monthly arrival numbers are expected to remain high (around 240,000-260,000) from January through to March. However, not all visitor markets have the same seasonal pattern. In fact, there are stark differences between the markets as shown in Figures 1-8 below. It is useful to identify these different patterns particularly for operators that target certain markets.

Over the summer months (Nov06-Mar07) international visitor arrivals are forecast to increase by 3.3% over the previous year and set a new high.

Figure 1 International Visitor Arrivals by Month

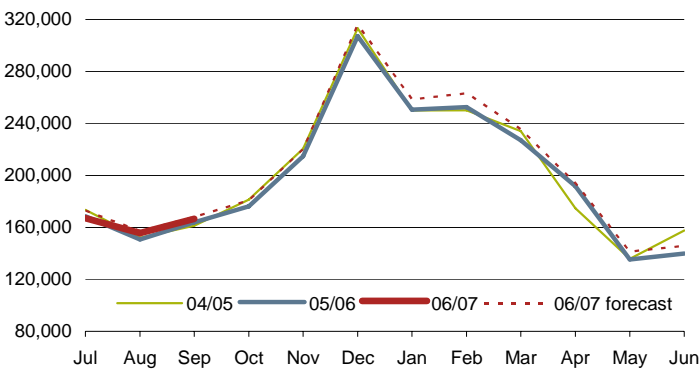
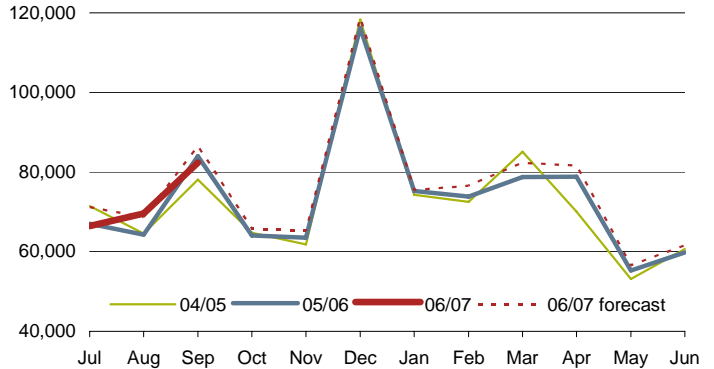


Figure 2 Australia --- Visitor Arrivals by Month



The Australian market (Figure 2) is characterised by a huge rush of visitors in late December. A large proportion of visitors are Kiwis who reside in Australia and come back before Christmas to visit friends and relatives. In contrast, the UK visitors (Figure 3) begin to build up in November and reach a high spreading throughout December-February. The US and German markets (Figures 4 and 8) will build from November and peak in February. The US market is partly boosted by cruise visitors during December-February.

Figure 3 UK --- Visitor Arrivals by Month

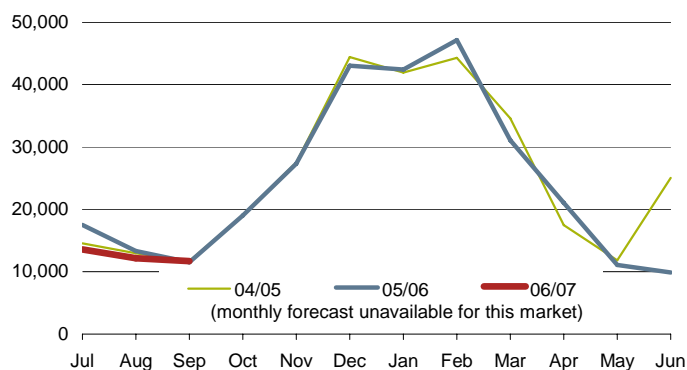
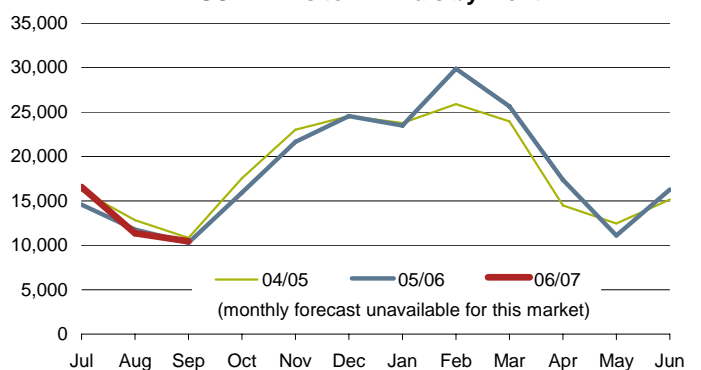


Figure 4 USA --- Visitor Arrivals by Month



COMMENTARY

The Japanese market peaks in November and maintains relatively high level of visitation throughout December-March (Figure 5). The Korean market typically peaks in January, which coincides with the seasonal arrival of education visitors (Figure 6).

Figure 5 Japan --- Visitor Arrivals by Month

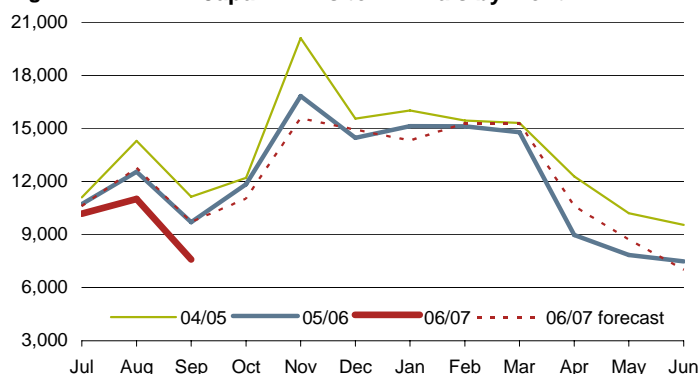
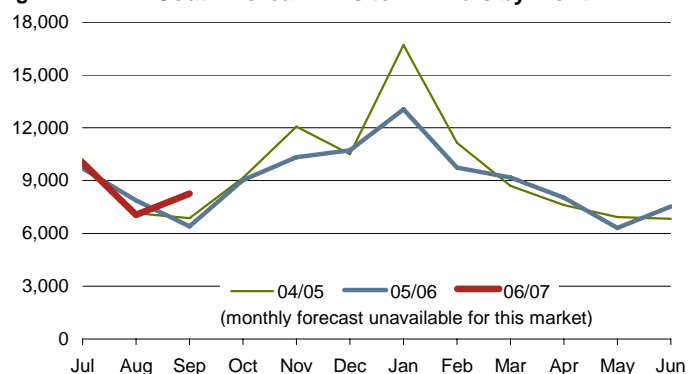


Figure 6 South Korea --- Visitor Arrivals by Month



Visitors from China (Figure 7) usually arrive in greater numbers during November-February, but may peak in any month between December and February depending on when the Chinese New Year falls. It will fall in mid February this coming year. The commencement of Air New Zealand flight services between Shanghai and Auckland from late November is expected to lift visitation from China significantly over the summer months. Arrivals in July-September were already tracking strongly at 17.5% above last year.

Figure 7 China --- Visitor Arrivals by Month

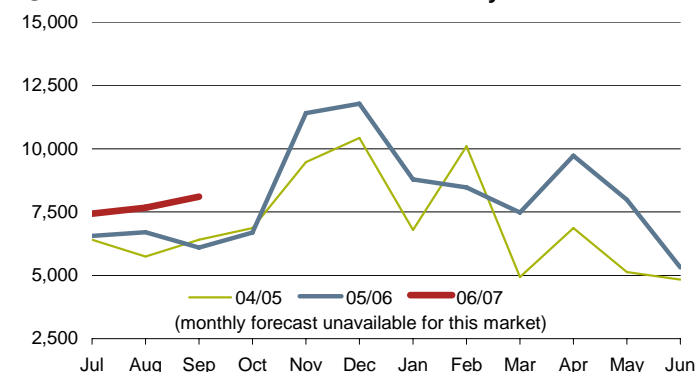
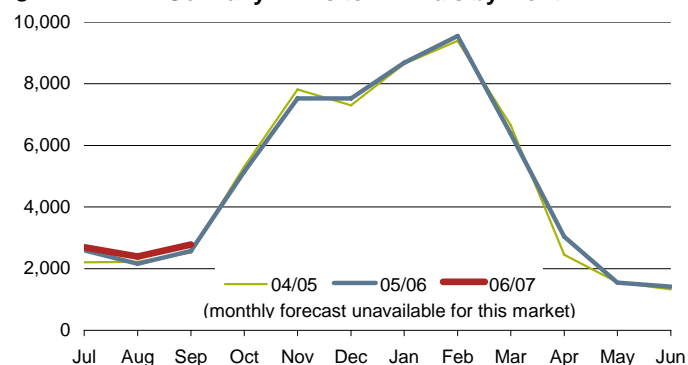
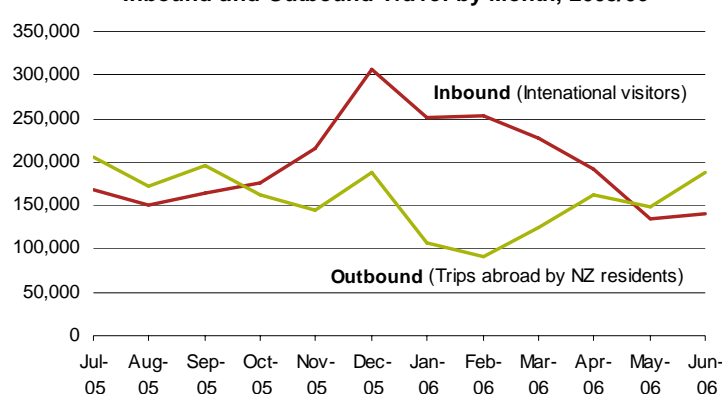


Figure 8 Germany --- Visitor Arrivals by Month



Outbound travel seasonality - The monthly pattern of outbound travel by New Zealand residents differs from that of inbound as shown in Figure 9. While inbound peaks in December, outbound travel typically shows four spikes in April, July, September and December that coincide with school holidays. The high level in June relates to Kiwis who head to warmer destinations to escape the winter. During the warmer months in January-March they stay back to enjoy the summer. This coincides with the high inbound season making the summer time the busiest for tourism operators.

Figure 9 Inbound and Outbound Travel by Month, 2005/06



1. INBOUND TOURISM

International Visitor Arrivals, September 2006 - In the month of September 2006 there were 166,531 international visitor arrivals, up 1.7% (2,700) on September 2005. This is the highest visitation for a September month.

Markets - Visitors from the China (up 2,000 or 33.0%), South Korea (up 1,850 or 28.9%) and India (up 500 or 44%) recorded the largest increases in September 2006.

In contrast, there were fewer visitors from the Japan (down 2,100 or -21.6%), Australia (down 1,500 or -1.8%) and Taiwan (down 500 or -22.9%).

Purpose - There were fewer Business (down 460 or -2.1%) and VFR (down 450 or -1%) visitors, but more Holiday visitors (up 700 or 0.9%) and other (up 2,950 or 15.2%) visitors in September 2006 compared to September 2005.

Duration - In September 2006, the average length of stay of visitors was 19.4 days, 0.7 of a day more than in September 2005. The total number of visitor days increased by 5.9% (181,000 days) to 3.22 million days.

Flights - There were 2,441 flight-arrivals in September 2006, 36 flights more than in September 2005.

Annual Arrivals - For the year ended September 2006, there were 2.384 million international visitor arrivals, down 16,100 or -0.7% on the previous year. Total visitor days were up 2.7% to 48.1 million, with the average length of stay up by 0.6 of a day to 19.9 days.

Visitors from China exceeded 100,000 for the first time for the year ended September 2006.

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

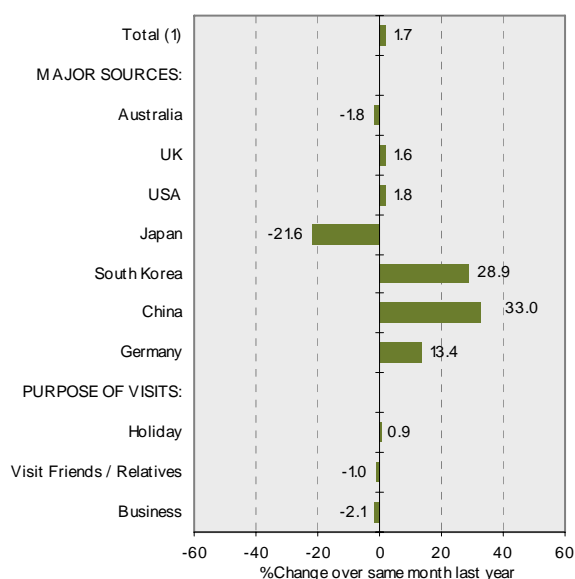
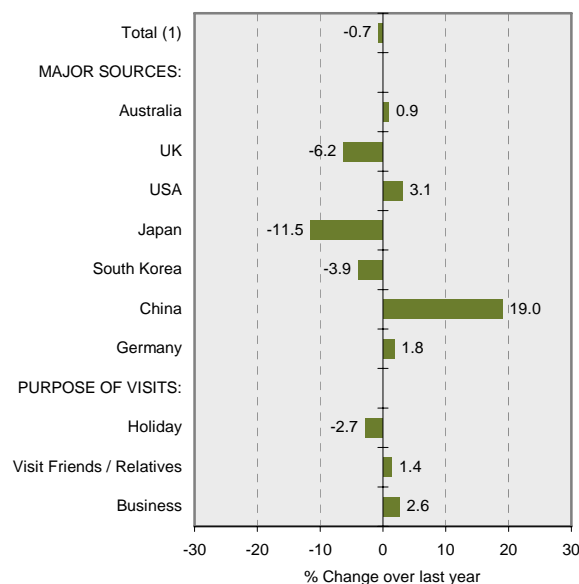


Figure 1b **Growth Rate of International Visitor Arrivals (Year Ended September 2006)**



1. INBOUND TOURISM

Table 1a International Visitor Arrivals (Month)

SEPTEMBER MONTH	International Visitor Arrivals			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
Total (1)	161,182	163,785	166,531	1.6	1.7
MAJOR SOURCES:					
Australia	78,120	83,952	82,404	7.5	-1.8
UK	11,680	11,528	11,718	-1.3	1.6
USA	10,820	10,274	10,458	-5.0	1.8
Japan	11,140	9,702	7,602	-12.9	-21.6
South Korea	6,860	6,402	8,253	-6.7	28.9
China	6,400	6,094	8,106	-4.8	33.0
Germany	2,520	2,574	2,919	2.1	13.4
PURPOSE OF VISITS:					
Holiday	79,900	79,200	79,905	-0.9	0.9
Visit Friends / Relatives	42,780	43,538	43,092	1.8	-1.0
Business	20,240	21,648	21,189	7.0	-2.1
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	2,357	2,405	2,441	2.0	1.5

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

Table 1b International Visitor Arrivals (Year)

YEAR ENDED SEPTEMBER	International Visitor Arrivals			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
Total (1)	2,307,470	2,400,017	2,383,940	4.0	-0.7
MAJOR SOURCES:					
Australia	824,279	875,864	884,056	6.3	0.9
UK	278,986	308,446	289,324	10.6	-6.2
USA	216,988	217,518	224,285	0.2	3.1
Japan	165,019	159,617	141,291	-3.3	-11.5
South Korea	115,578	113,645	109,244	-1.7	-3.9
China	80,268	84,737	100,844	5.6	19.0
Germany	55,124	57,776	58,807	4.8	1.8
PURPOSE OF VISITS:					
Holiday	1,183,033	1,207,469	1,174,499	2.1	-2.7
Visit Friends / Relatives	639,929	671,821	681,393	5.0	1.4
Business	240,781	258,507	265,328	7.4	2.6
INTERNATIONAL ARRIVAL FLIGHTS:					
Passenger Flights	27,632	29,552	29,190	6.9	-1.2

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

2. OUTBOUND TOURISM

Departures, September 2006 - In the month of September 2006, New Zealand residents undertook 201,928 short-term overseas trips, up 3.1% or 6,100 trips from the previous year.

Destinations - There were more trips to the Australia (up 3,250 or 3.4%), Fiji (up 1,210 or 9.5%), Tonga (up 1,038 or 108%), India (up 800 or 59%), Viet Nam (up 730 or 156%) and USA (up 400 or 3.8%).

There were fewer trips to the UK (down 660 or -6.6%), Indonesia (down 470 or -20.2%) and France (down 330 or -1.4%).

Purpose - There were more Holiday (up 6,400 or 6.8%) and Business (up 460 or 1.9%) trips but fewer VFR trips (down 800 or -1.5%) in September 2006 compared to September 2005.

Duration - The average length of trips in September 2006 was 16.9 days, 0.9 of a day more than last year.

Annual Departures - The total number of trips undertaken for the year ended September 2006 was 1.867 million, up 17,000 trips or 0.9% from the previous year.

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

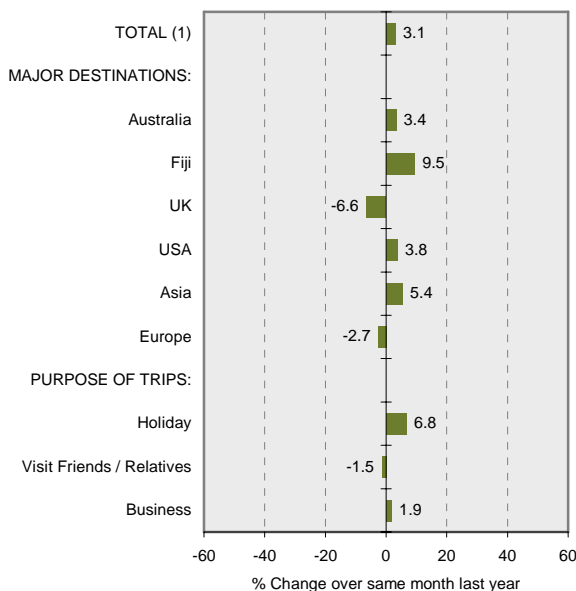


Figure 2b **Growth Rate of Trips Abroad by NZ Residents (Year Ended September 2006)**

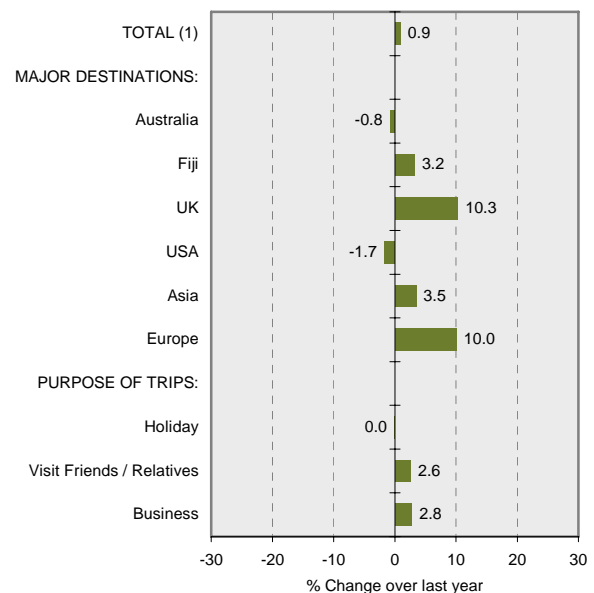


Table 2a **Trips Abroad by NZ Residents (Month)**

SEPTEMBER MONTH	Trips Abroad by NZ Residents			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL (1)	186,305	195,819	201,928	5.1	3.1
MAJOR DESTINATIONS:					
Australia	93,408	96,096	99,350	2.9	3.4
Fiji	12,216	12,766	13,975	4.5	9.5
UK	8,880	10,114	9,450	13.9	-6.6
USA	9,288	10,400	10,800	12.0	3.8
Asia	21,456	22,880	24,125	6.6	5.4
Europe	16,320	19,058	18,550	16.8	-2.7
PURPOSE OF TRIPS:					
Holiday	91,032	93,860	100,225	3.1	6.8
Visit Friends / Relatives	48,696	53,924	53,125	10.7	-1.5
Business	22,440	24,986	25,450	11.3	1.9

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

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

YEAR ENDED SEPTEMBER	Trips Abroad by NZ Residents			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL (1)	1,667,147	1,850,250	1,867,268	11.0	0.9
MAJOR DESTINATIONS:					
Australia	851,213	933,437	926,320	9.7	-0.8
Fiji	92,258	107,317	110,770	16.3	3.2
UK	77,333	82,174	90,642	6.3	10.3
USA	78,182	89,132	87,595	14.0	-1.7
Asia	203,529	227,074	234,955	11.6	3.5
Europe	133,193	145,296	159,882	9.1	10.0
PURPOSE OF TRIPS:					
Holiday	736,860	795,333	795,161	7.9	0.0
Visit Friends / Relatives	486,529	554,378	568,808	13.9	2.6
Business	244,075	272,086	279,786	11.5	2.8

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

3. COMMERCIAL ACCOMMODATION

Guest Nights, August 2006 - In the month of August 2006, a total of 2,002,000 guest nights were spent in commercial accommodation, an increase of 60,000 nights (or 3.1%) from August 2005. Both the North Island (up 60,000 or 4.4%) and South Island (up 10,000 or 1.3%) recorded increases in guest nights.

Accommodation Types – Four of the five accommodation types recorded an increase in guest nights in August 2006. Motels (up 28,000 or 3.9%) recorded the largest decrease, followed by hotels (up 18,200 or 2.5%), backpackers (up 12,400 or 4.7%) and caravan parks/camping grounds (up 1,900 or 0.8%). Hosted accommodation (down 330 or -1.1%) recorded a decrease in guest nights from August 2005.

Occupancy - The overall occupancy rate of accommodation establishments in August 2006 was 30.4%, up by 1.0 point, compared to 29.4% in August 2005. Four of the five accommodation types recorded a increase in occupancy rate, with hotels recording the largest increase (at 50.3%, up 1.8 points from 48.5%), followed by backpackers (34.5%, up 1.2 points), motels (46.8%, up 0.6 of a point) and caravan parks/camping grounds (7.5%, up 0.5 of a point). Hosted accommodation (16.7%, down 0.4 of a point) recorded a decrease in occupancy rate.

RTOs - In August 2006, the majority of Regional Tourism Organisation areas (RTOs) recorded an increase in guest nights from August 2005. Auckland recorded the largest increase (up 13,700 or 3.8%), followed by Queenstown/Central Otago (up 13,400 or 4.9%), Rotorua (up 11,600 or 10.2%), Wellington (up 10,700 or 7.2%), Ruapehu (up 8,200 or 16.0%), Hawke's Bay (up 7,500 or 14.3%), West Coast (up 3,400 or 7.9%), Bay of Plenty (up 3,400 or 5.6%), Waikato (up 2,200 or 3.2%) and Marlborough (up 950 or 2.9%). RTOs recording a decrease in guest nights included Nelson (down 3,100 or -6.5%), Christchurch and Canterbury (down 2,800 or -1.1%), Southland (down 2,300 or -5.9%) and Coromandel (down 930 or -4.0%).

In August, Ruapehu recorded the highest number of guest nights (59,353) in any given month, reflecting a very strong ski season. Queenstown-Central also recorded the highest number of guest nights in the August month though not the highest in any month of the year.

Annual - For the year ended August 2006, there was a total demand of 31.26 million guest nights, down 0.04 million or -1.2% from the previous year.

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

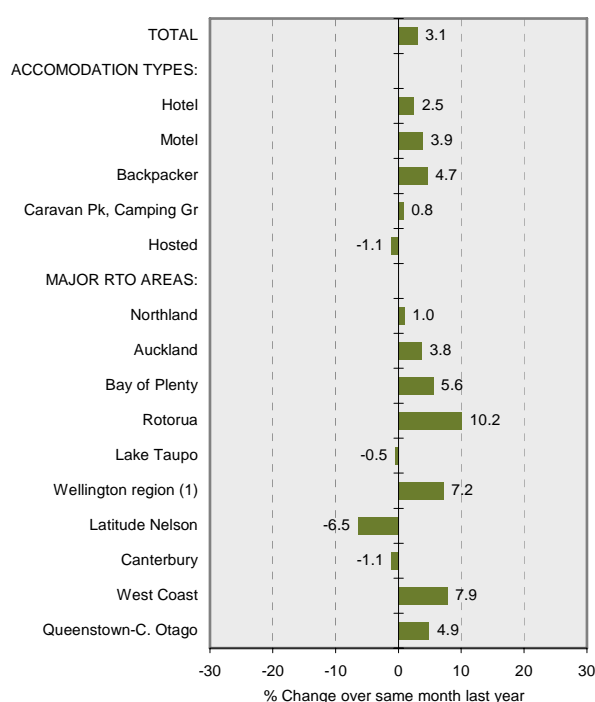
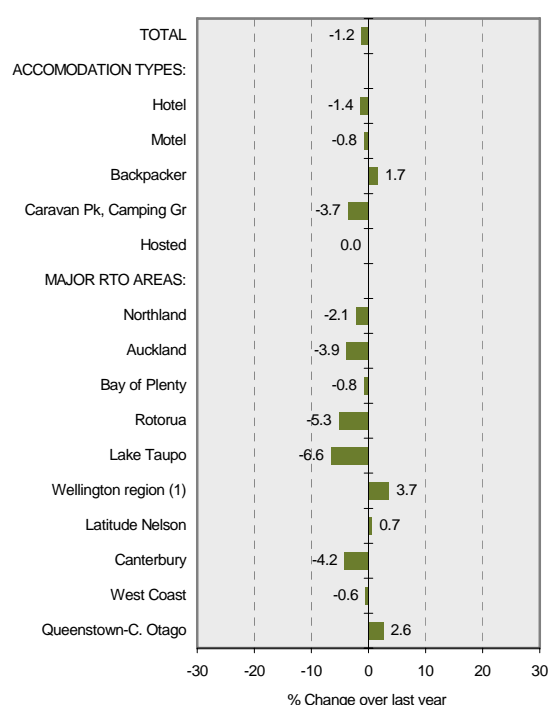


Figure 3b **Growth Rate of Guest Nights (Year Ended August 2006)**



3. COMMERCIAL ACCOMMODATION

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

AUGUST MONTH	Guest Nights			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	1,934,634	1,941,690	2,001,757	0.4	3.1
ACCOMODATION TYPES:					
Hotel	719,368	714,497	732,696	-0.7	2.5
Motel	712,293	713,775	741,744	0.2	3.9
Backpacker	255,837	263,915	276,298	3.2	4.7
Caravan Pk, Camping Gi	217,575	220,296	222,146	1.3	0.8
Hosted	29,560	29,208	28,874	-1.2	-1.1
MAJOR RTO AREAS:					
Northland	71,987	73,645	74,401	2.3	1.0
Auckland	374,007	363,617	377,359	-2.8	3.8
Bay of Plenty	60,377	60,054	63,408	-0.5	5.6
Rotorua	123,744	113,973	125,560	-7.9	10.2
Lake Taupo	71,363	65,263	64,933	-8.5	-0.5
Wellington region (1)	137,416	147,877	158,540	7.6	7.2
Latitude Nelson	46,961	48,629	45,488	3.6	-6.5
Canterbury	259,406	253,086	250,264	-2.4	-1.1
West Coast	50,769	50,427	54,394	-0.7	7.9
Queenstown-C. Otago	267,609	271,177	284,565	1.3	4.9

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

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

YEAR ENDED AUGUST	Guest Nights			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	30,569,188	31,658,178	31,264,697	3.6	-1.2
ACCOMODATION TYPES:					
Hotel	9,640,808	9,953,358	9,812,055	3.2	-1.4
Motel	10,459,105	10,669,642	10,580,312	2.0	-0.8
Backpacker	3,814,542	4,143,633	4,212,509	8.6	1.7
Caravan Pk, Camping Gr	6,119,791	6,327,630	6,096,099	3.4	-3.7
Hosted	534,942	563,916	563,723	5.4	0.0
MAJOR RTO AREAS:					
Northland	1,681,540	1,715,750	1,679,356	2.0	-2.1
Auckland	5,306,113	5,354,737	5,146,154	0.9	-3.9
Bay of Plenty	1,063,472	1,165,368	1,155,806	9.6	-0.8
Rotorua	1,930,746	1,946,630	1,844,013	0.8	-5.3
Lake Taupo	1,078,483	1,107,527	1,034,858	2.7	-6.6
Wellington region (1)	1,955,794	2,103,925	2,180,762	7.6	3.7
Latitude Nelson	1,173,238	1,201,286	1,209,506	2.4	0.7
Canterbury	4,090,913	4,349,173	4,166,104	6.3	-4.2
West Coast	1,177,413	1,237,941	1,230,927	5.1	-0.6
Queenstown-C. Otago	2,914,274	3,054,728	3,135,674	4.8	2.6

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

4. INTERNATIONAL VISITOR EXPENDITURE

Expenditure, Year ended March 2006 - International visitors spent a total of \$6,644 million in New Zealand for the year ended March 2006 (excluding international airfares). This is an increase of 8.2% (\$501 million) on the previous year.

Markets - The UK market recorded the largest increase, up by \$173 million or 18.5%, to reach \$1,105 million. The majority of this increase can be attributed to the British Lions rugby tour. The Australian market also performed strongly with visitor spend up by \$123 million or 8.8% to \$1,523 million.

Three key markets recorded a decrease in visitor spend, including China (down \$160 million or -39.5%), Japan (down \$75 million or -13.1%) and Germany (down \$11 million or -4.9%).

The performance in 2005 has been affected by the downturn in the education sector (largely from the Asian markets) as well as the high exchange rate of the New Zealand dollar.

Average Spend - The average spend per visitor was \$3,041 up 7.9% on the previous year.

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

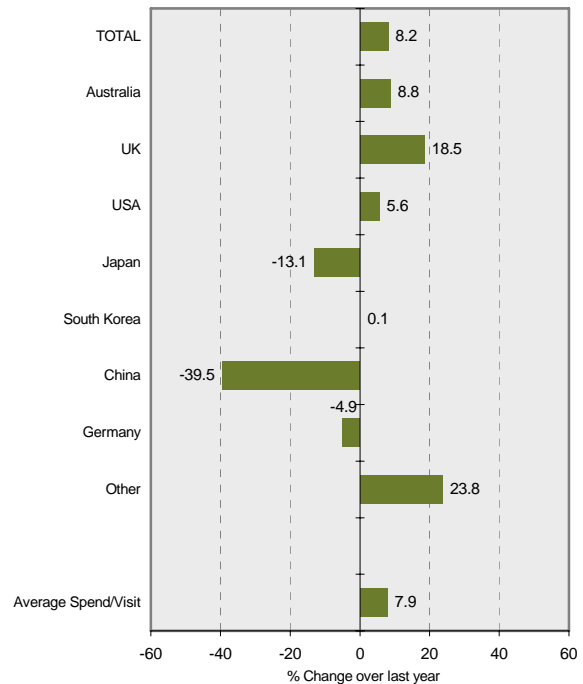


Table 4 International Visitor Expenditure (Year)

YEAR ENDED MARCH	NZ\$million(1)			Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TOTAL	6,313	6,144	6,644	-2.7	8.2
Australia	1,304	1,400	1,523	7.3	8.8
UK	946	933	1,105	-1.4	18.5
USA	549	615	649	11.9	5.6
Japan	640	572	497	-10.7	-13.1
South Korea	626	254	255	-59.4	0.1
China	391	404	244	3.4	-39.5
Germany	217	218	207	0.7	-4.9
Other	1,640	1,749	2,164	6.6	23.8
Average Spend/Visit	3,191	2,818	3,041	-11.7	7.9

(1) Expenditure excludes international airfares.

5. DOMESTIC TOURISM

Overnight Trips, Year ended March 2006 - For the year ended March 2006, the number of overnight trips decreased by 2.0% (0.29 million) to 14.37 million trips, while the number of visitor nights decreased by 2.5% (or 1.1 million) to 43.1 million. On average, overnight visitors stayed 3 nights away from home.

Day Trips - The number of day-trips decreased by 4.9% (or 1.81 million) to 29.74 million for the year ended March 2006.

Expenditure - Overall, domestic tourism expenditure decreased by 0.4% (or \$0.03 million) to \$6,978 million for the year ended March 2006. Overnight-trip expenditure was up 5.1% to \$4,454 million, and day-trip expenditure was down 8.8% to \$2,524 million.

Visitor Nights in RTOs - Several Regional Tourism Organisation regions recorded an increase in visitor nights in the year ended March 2006. Rotorua recorded the largest increase (up 360,000 nights or 31.0%), followed by Southland (up 359,000 or 70.3%), Coromandel (up 324,000 or 14.0%), Canterbury (up 286,000 or 7.3%), Taranaki (up 284,000 or 29.4%), Manawatu (up 162,000 or 11.9%) Northland (up 133,000 or 4.6%), Dunedin (up 91,000 or 8.6%) and West Coast (up 87,000 or 9.2%)

Fewer domestic visitor nights were recorded in Auckland (down 994,000 or -15.7%), Wellington (down 721,000 or -19.0%), Nelson (down 638,000 or -29.5%), Auckland (down 624,000 or -10.3%), Waikato (down 285,000 or -12.1%), Central Otago (down 198,000 or -30.0%), Fiordland (down 186,000 or -52.3%), Ruapehu (down 129,000 or -22.1%), Central South Island (down 125,000 or -21.2%), Marlborough (down 117,000 or -12.4%) and the Wairarapa (down 80,000 or 13.0%).

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

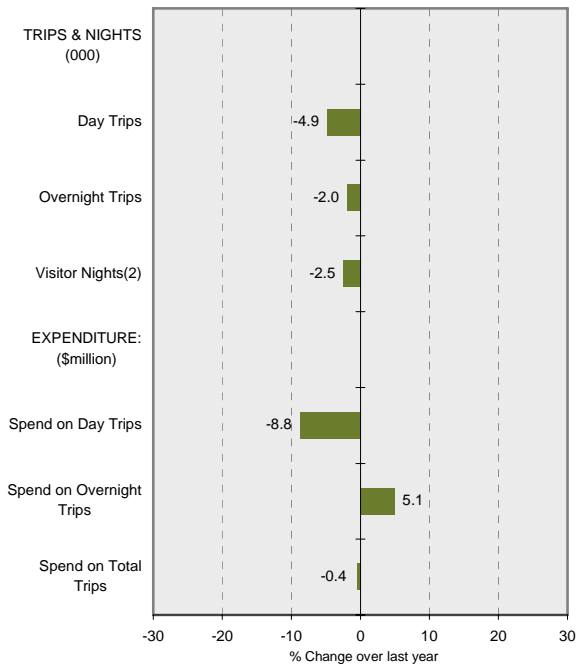


Table 5 Domestic Tourism Growth Rate (Year)

YEAR ENDED MARCH				Growth Rate (%)	
	2004	2005	2006	04-05	05-06
TRIPS & NIGHTS (000)					
Day Trips	29,477	31,257	29,737	6.0	-4.9
Overnight Trips	15,210	14,656	14,369	-3.6	-2.0
Visitor Nights(2)	48,374	44,236	43,134	-8.6	-2.5
EXPENDITURE: (\$million)					
Spend on Day Trips	2,966	2,768	2,524	-6.7	-8.8
Spend on Overnight Trip	4,775	4,240	4,454	-11.2	5.1
Spend on Total Trips	7,741	7,008	6,978	-9.5	-0.4

(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**

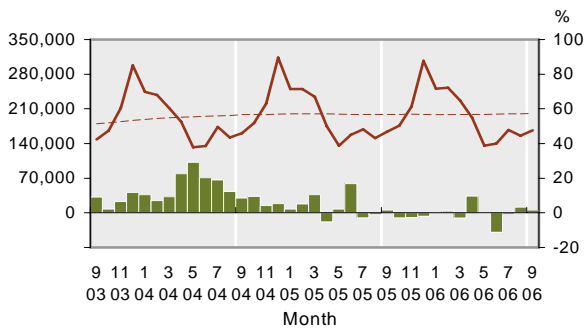
YEAR ENDED DECEMBER	2005(1)	2006f	2007f	2008f	2009f	2010f	2011f	2012f	Growth 2005-2012		
									Change	Total	Annual
International Visitors (000)	2,366	2,403	2,508	2,619	2,736	2,857	3,021	3,114	748	31.6%	4.0%
Domestic Trips (000)(2)	56,362	56,154	56,700	57,737	58,149	58,561	58,972	59,360	2,998	5.3%	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.

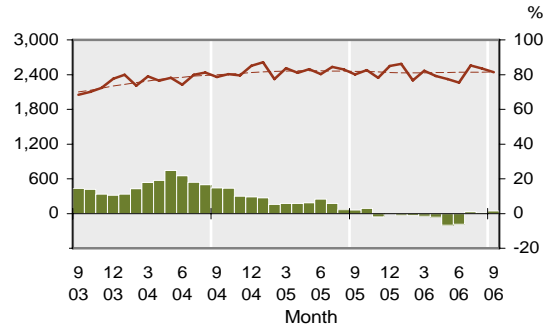
TRENDS AND PATTERNS

1. Inbound Tourism

1.1 International Visitor Arrivals

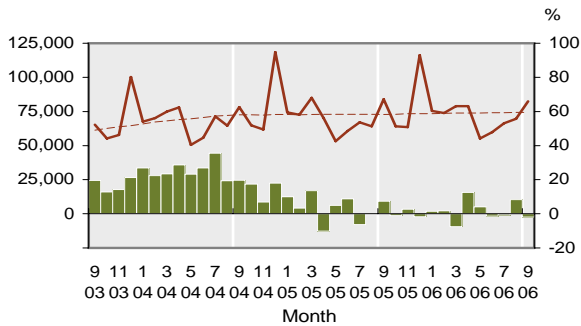


1.2 International Passenger Arrival Flights

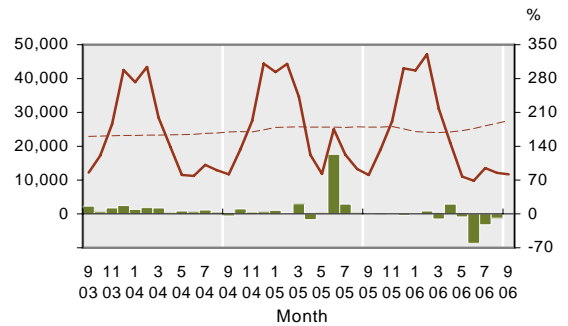


Major Sources

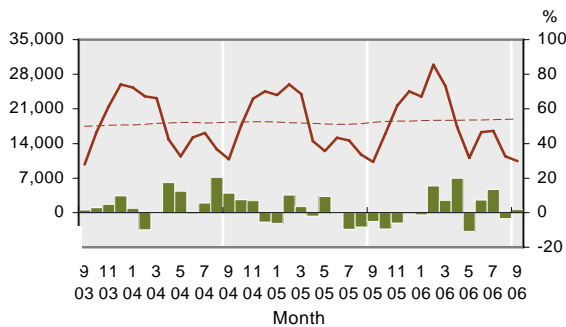
1.3 Visitors from - Australia



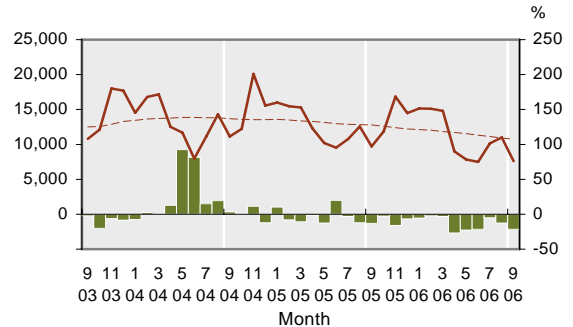
1.4 Visitors from - UK



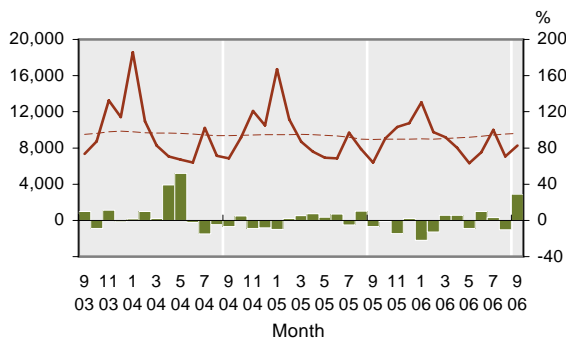
1.5 Visitors from - USA



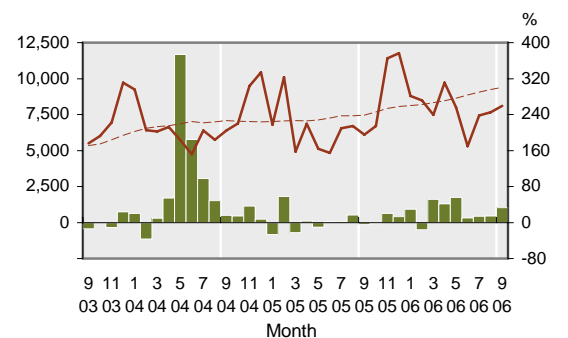
1.6 Visitors from - Japan



1.7 Visitors from - South Korea



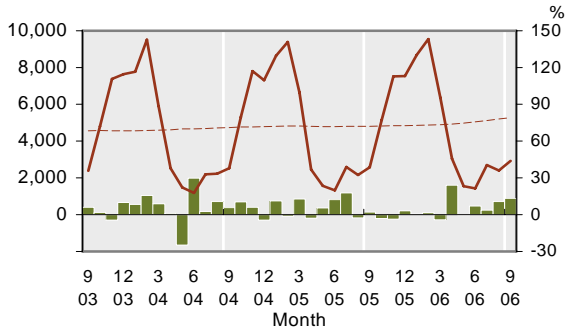
1.8 Visitors from - China



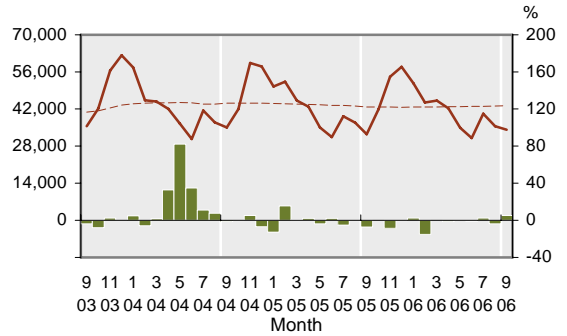
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

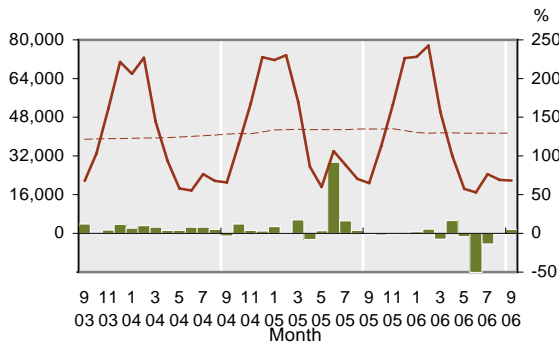
1.9 Visitors from - Germany



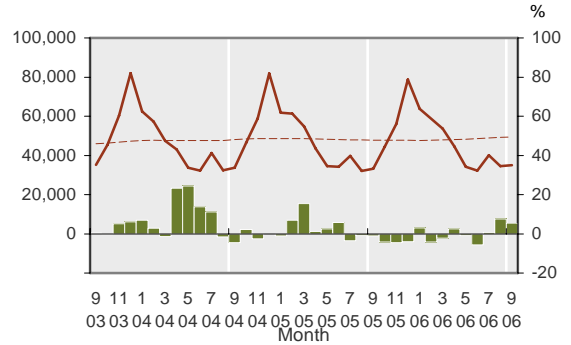
1.10 Visitors from - Asia



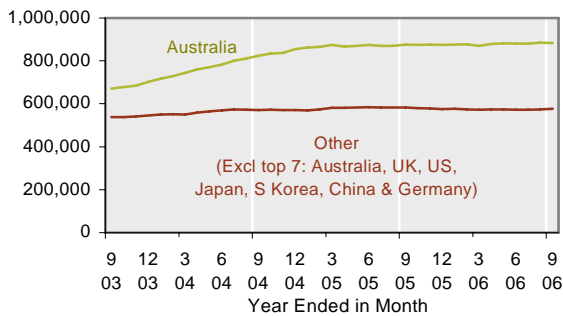
1.11 Visitors from - Europe



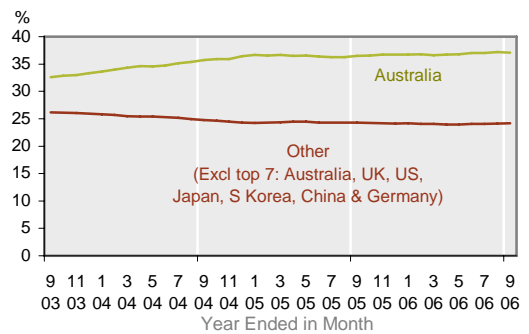
1.12 Visitors from - Other



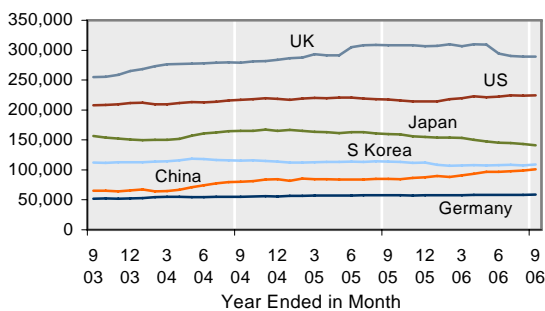
1.13 Visitors by Major Source



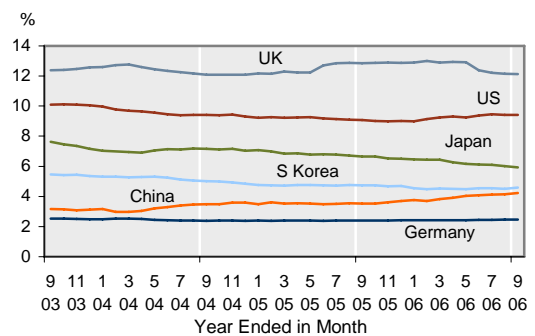
1.14 Share of Total International Visitors



1.15 Visitors by Major Source



1.16 Visitors by Major Source (%)

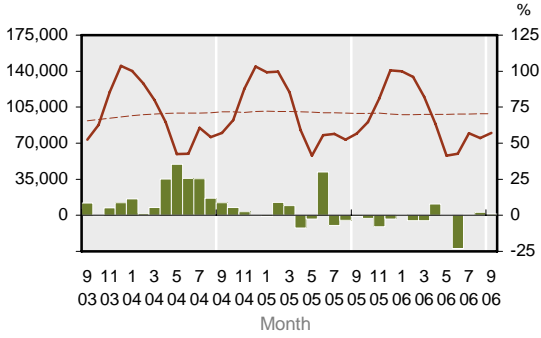


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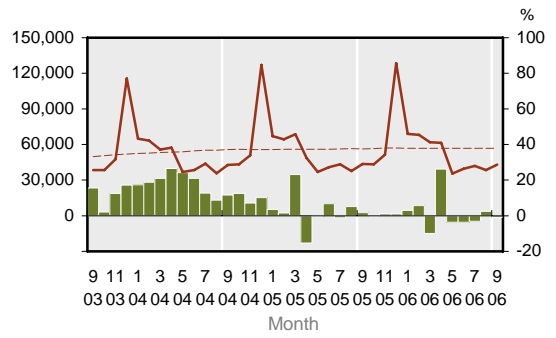
TRENDS AND PATTERNS

Purpose of Visits

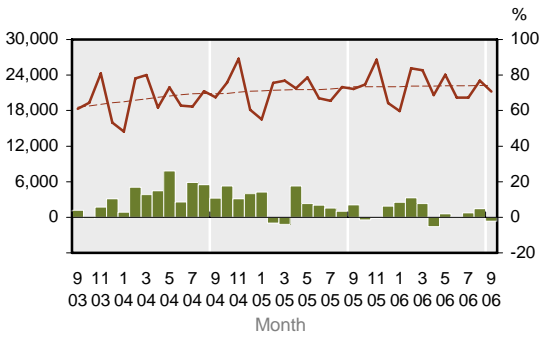
1.17 International Visitors - Holiday



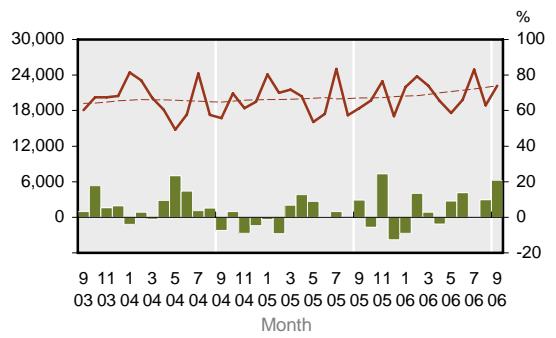
1.18 International Visitors - VFR



1.19 International Visitors - Business



1.20 International Visitors - Other

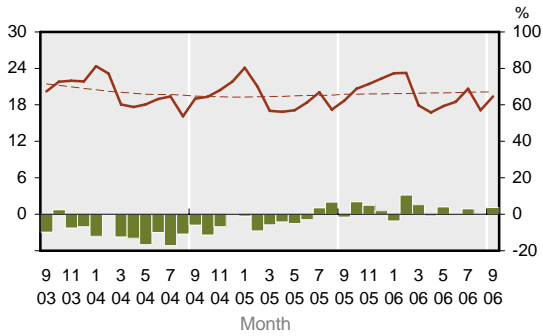


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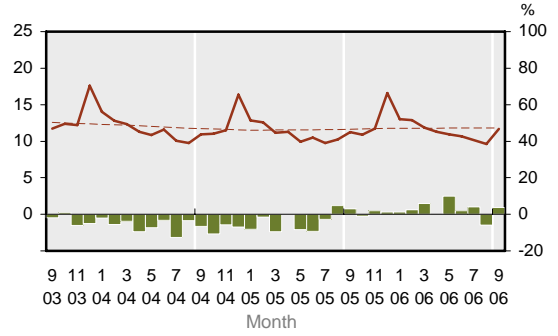
TRENDS AND PATTERNS

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

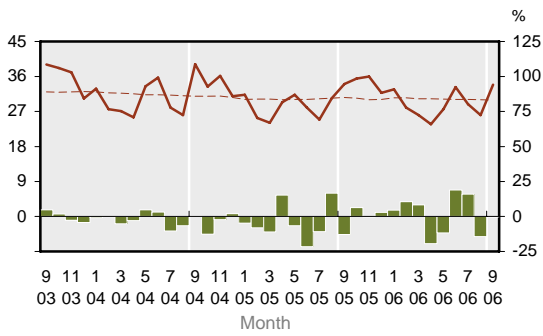
1.21 Average Days of Stay by Visitors



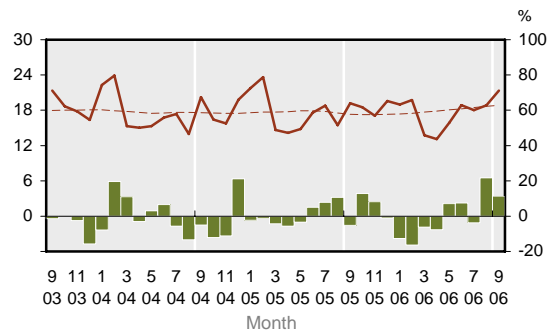
1.22 Average Days Stayed - Australian Visitors



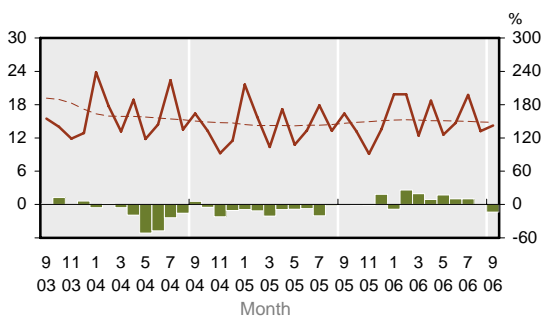
1.23 Average Days Stayed - UK Visitors



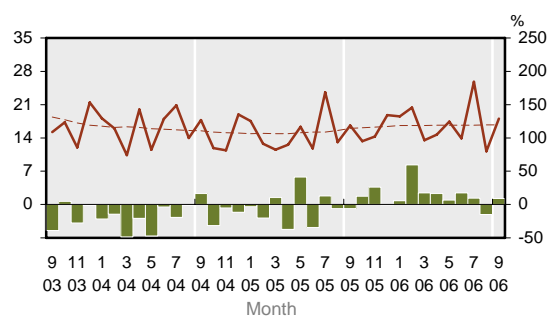
1.24 Average Days Stayed - US Visitors



1.25 Average Days Stayed - Japanese Visitors



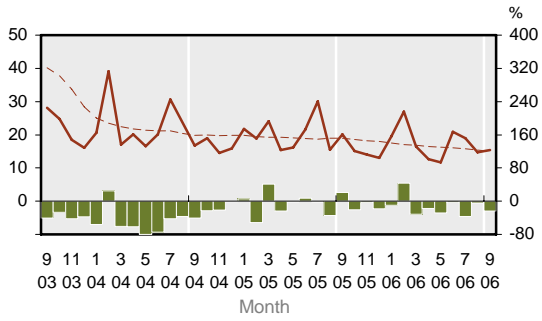
1.26 Average Days Stayed - S. Korea Visitors



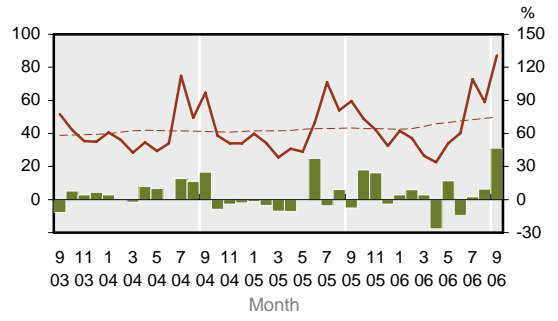
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TRENDS AND PATTERNS

1.27 Average Days Stayed - Chinese Visitors



1.28 Average Days Stayed - German Visitors



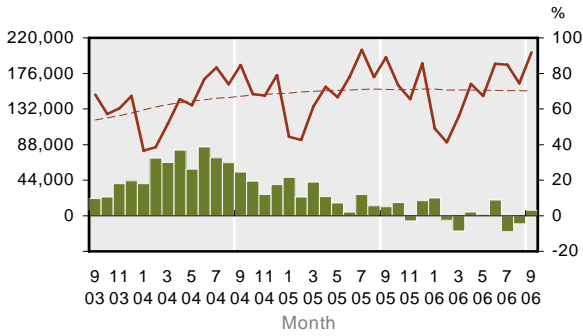
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TRENDS AND PATTERNS

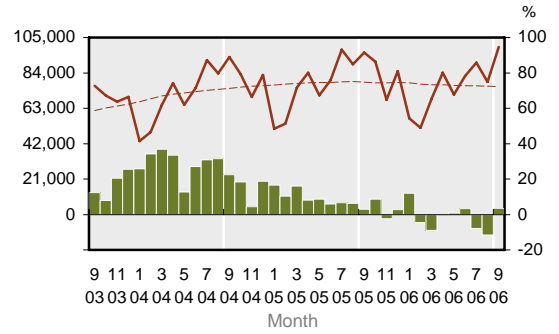
2. Outbound Tourism

Major Destinations

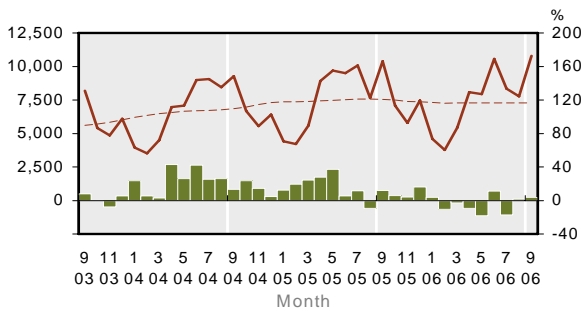
2.1 NZer Trips Abroad



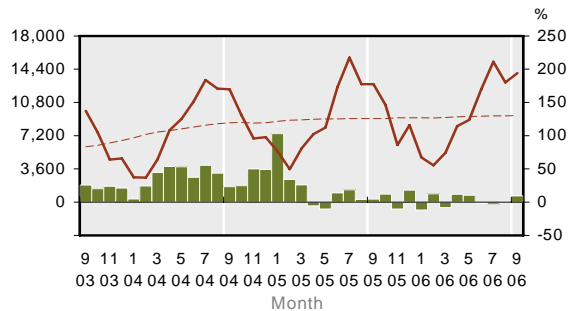
2.2 NZer Trips to - Australia



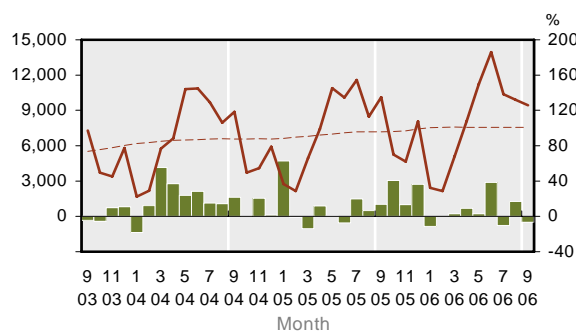
2.3 NZer Trips to - USA



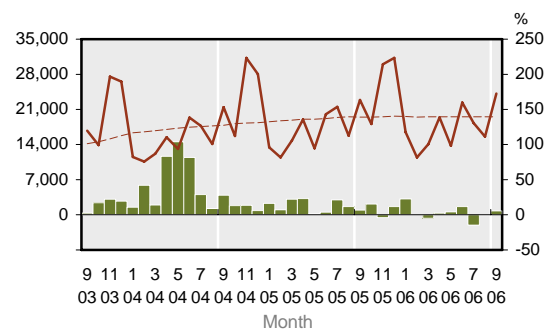
2.4 NZer Trips to - Fiji



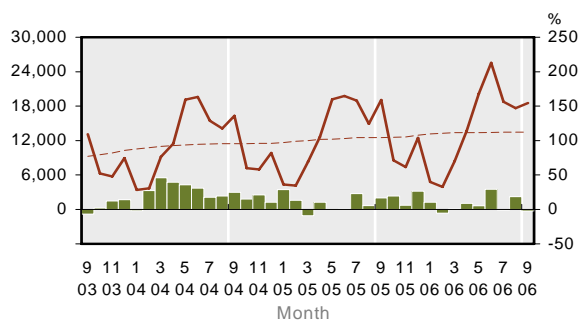
2.5 NZer Trips to - UK



2.6 NZer Trips to - Asia



2.7 NZer Trips to - Europe

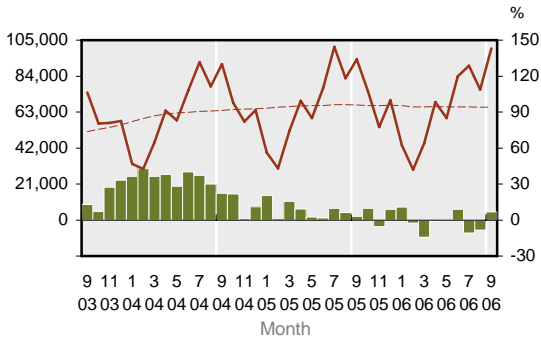


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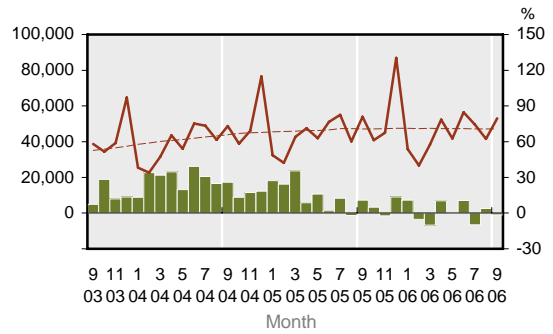
TRENDS AND PATTERNS

Purpose of Trips Abroad

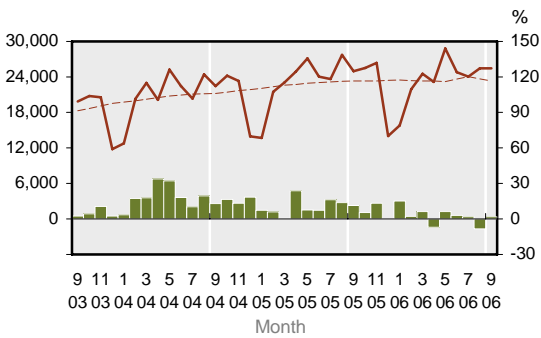
2.8 NZer Trips Abroad - Holiday



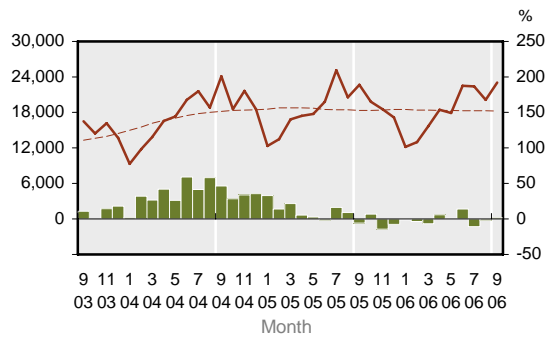
2.9 NZer Trips Abroad - VFR



2.10 NZer Trips Abroad - Business



2.11 NZer Trips Abroad - Other



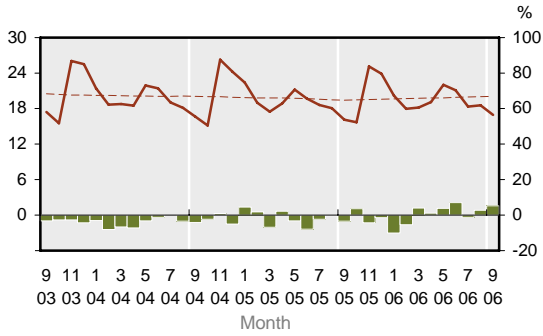
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TRENDS AND PATTERNS

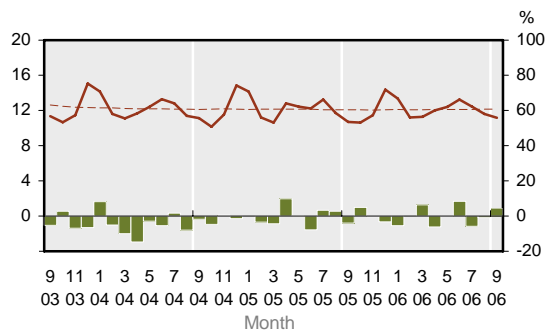
Length of Trips Abroad

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

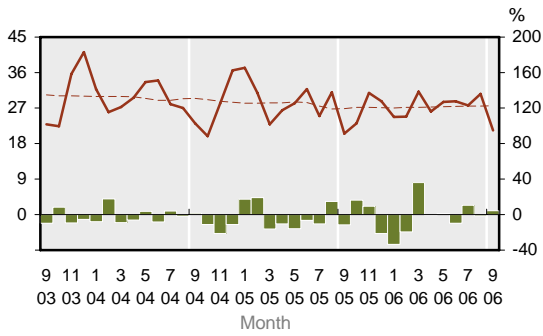
2.12 Average Days Abroad



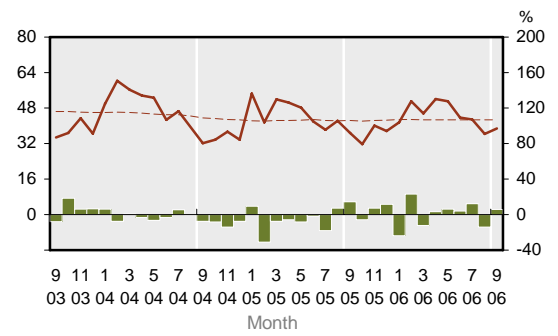
2.13 NZers Average Days Abroad - Australia



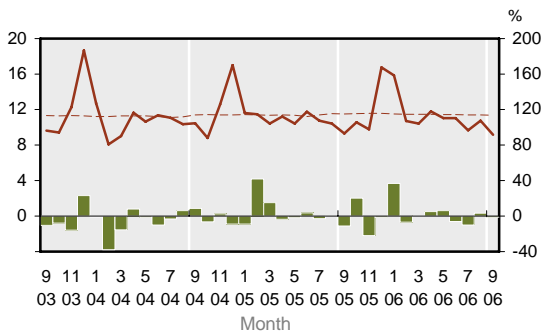
2.14 NZers Average Days Abroad - US



2.15 NZers Average Days Abroad - UK



2.16 NZers Average Days Abroad - Fiji

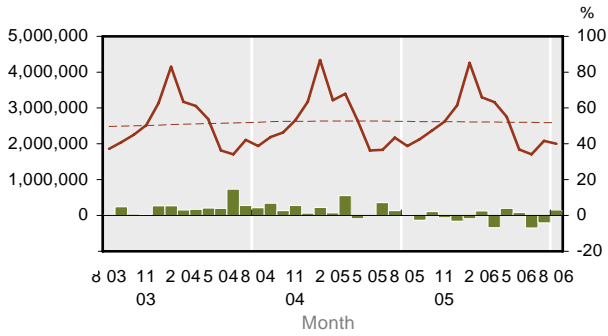


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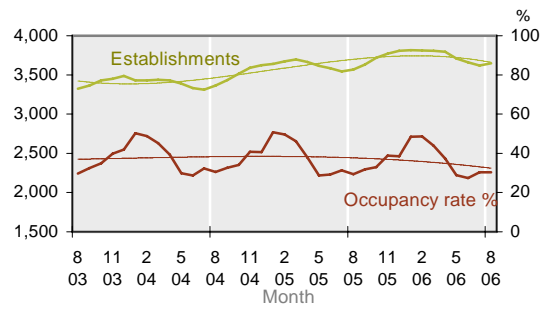
TRENDS AND PATTERNS

3. Commercial Accommodation

3.1 Total Guest Nights

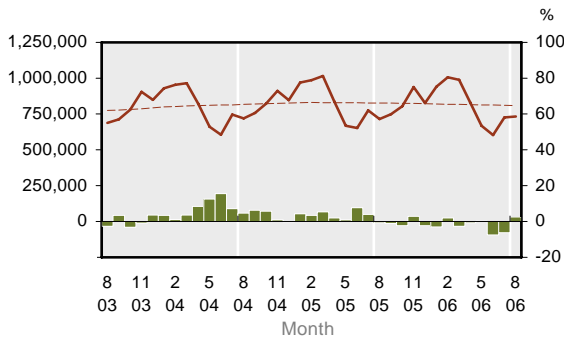


3.2 Total Establishments and Occupancy

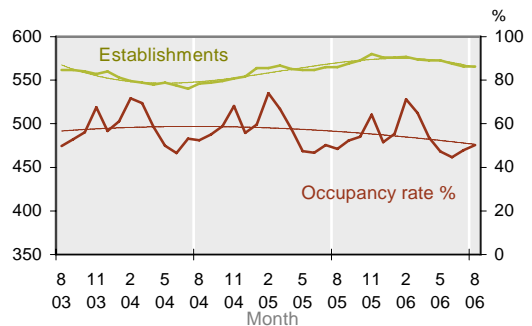


Guest Nights by Accommodation Type

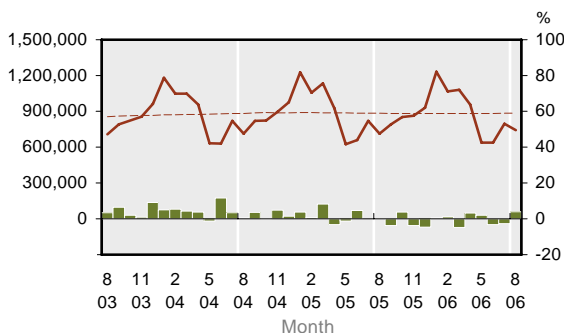
3.3 Hotel Guest Nights



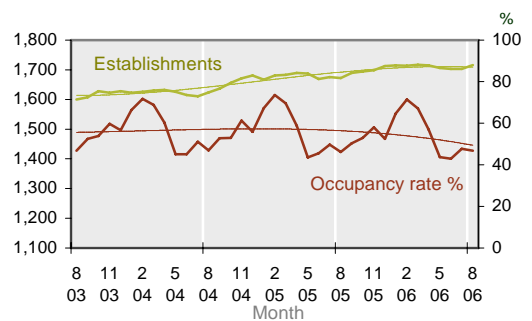
3.4 Hotels and Occupancy



3.5 Motel Guest Nights



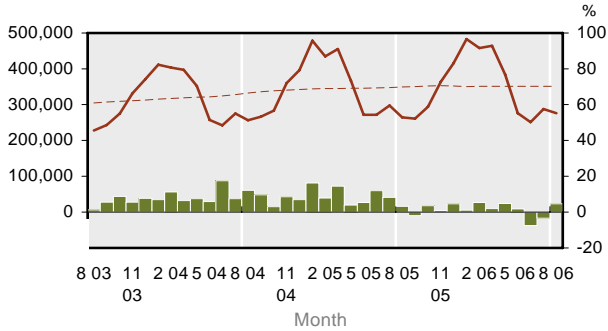
3.6 Motels and Occupancy



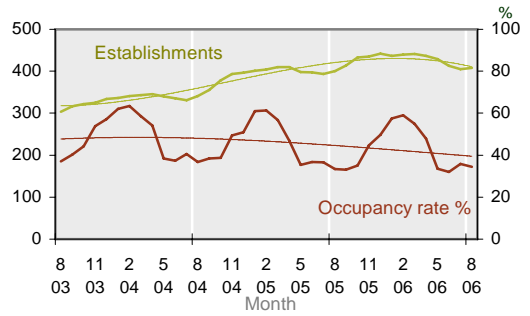
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 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

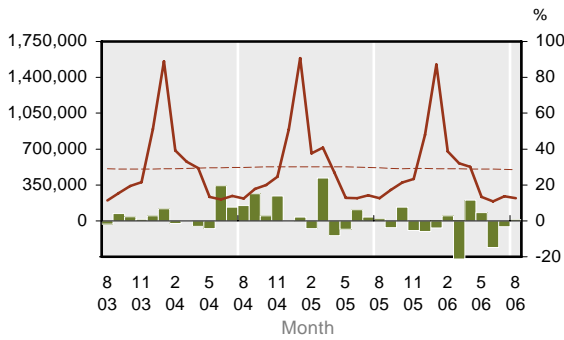
3.7 Backpacker Guest Nights



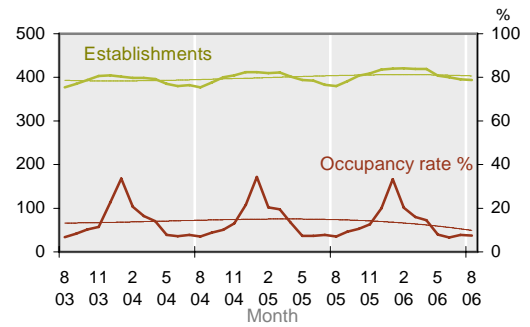
3.8 Backpackers and Occupancy



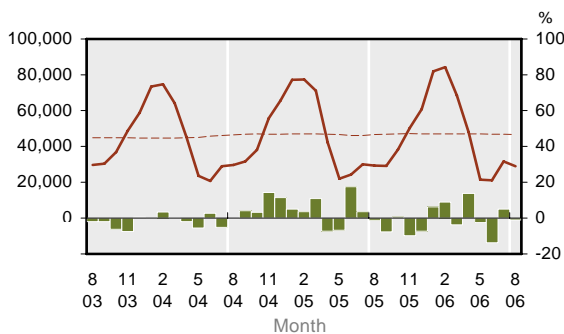
3.9 Caravan/Camping Guest Nights



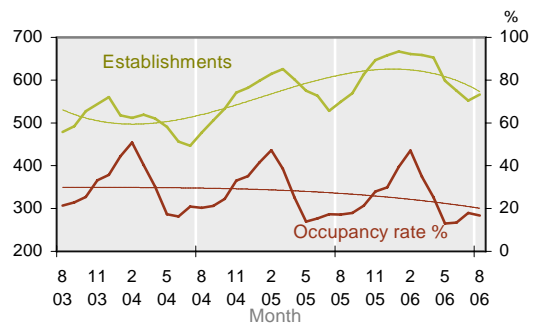
3.10 Caravan/Camping Est. and Occupancy



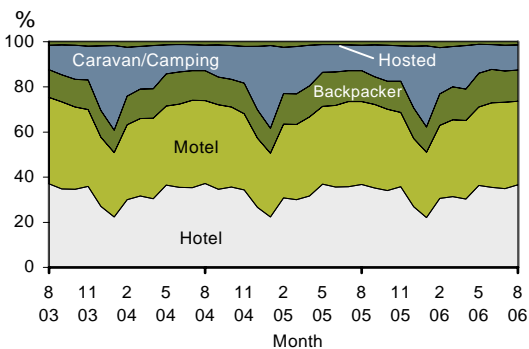
3.11 Hosted Guest Nights



3.12 Hosted and Occupancy



3.13 Share of Guest Nights by Establishment

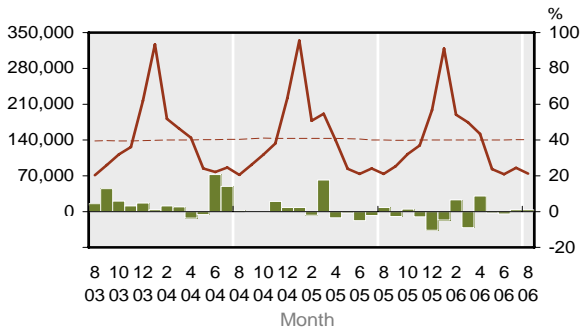


KEY:
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

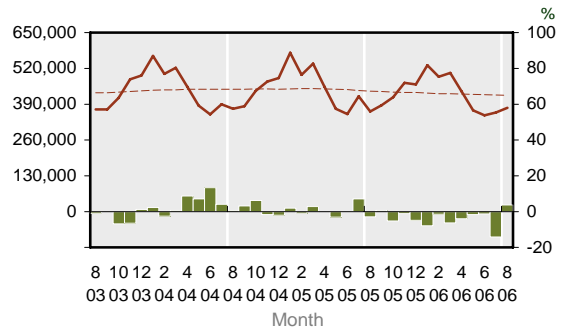
TRENDS AND PATTERNS

Guest Nights by Regional Tourism Organisation and District

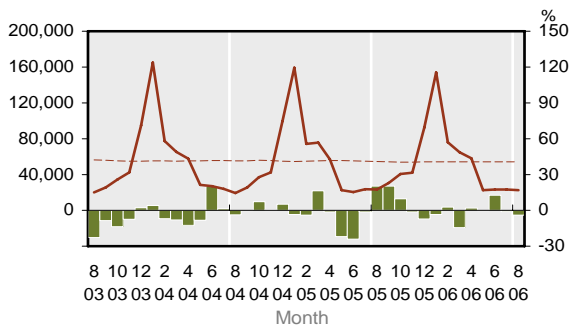
3.14 Northland RTO Guest Nights



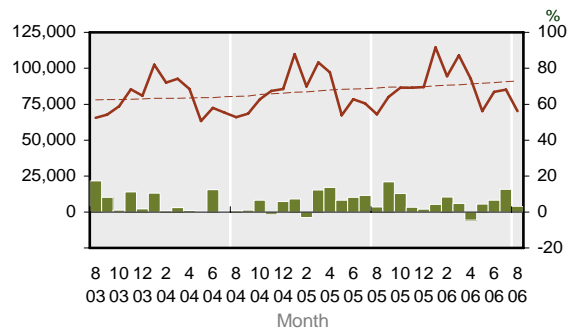
3.15 Auckland RTO Guest Nights



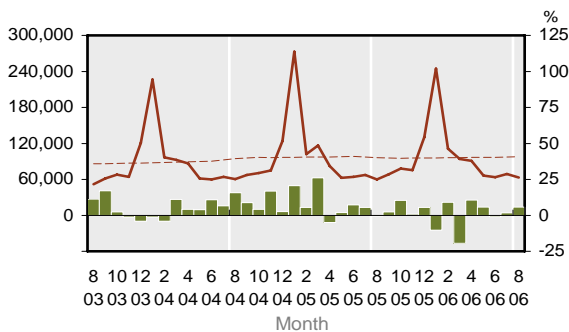
3.16 Coromandel RTO Guest Nights



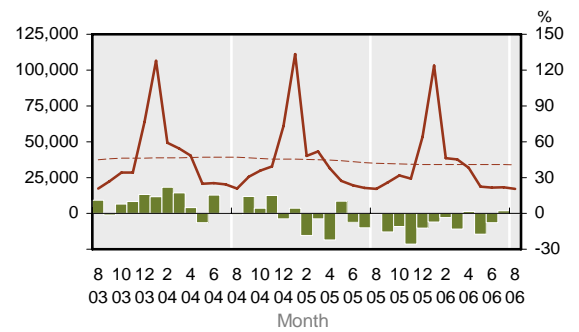
3.17 Waikato RTO Guest Nights



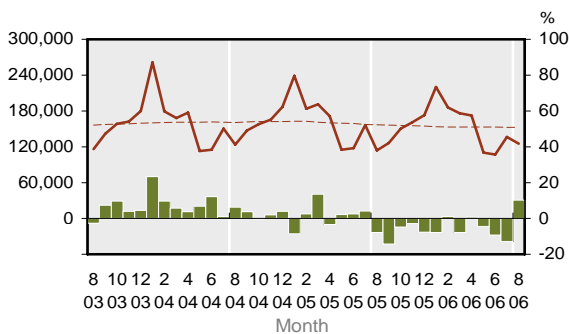
3.18 Bay of Plenty RTO Guest Nights



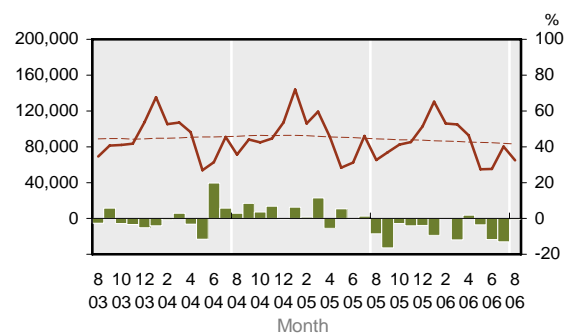
3.19 Eastland RTO Guest Nights



3.20 Rotorua RTO Guest Nights



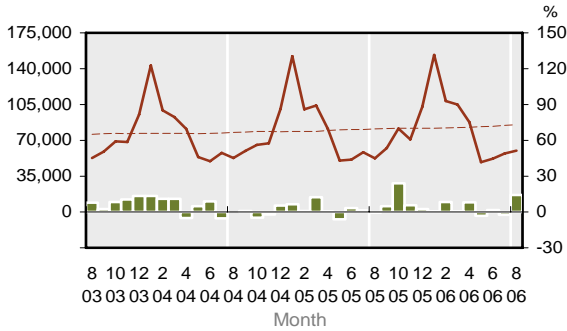
3.21 Lake Taupo RTO Guest Nights



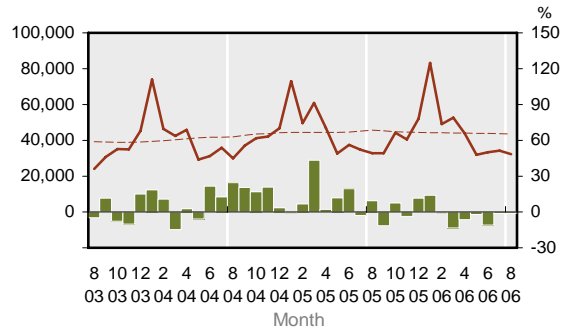
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

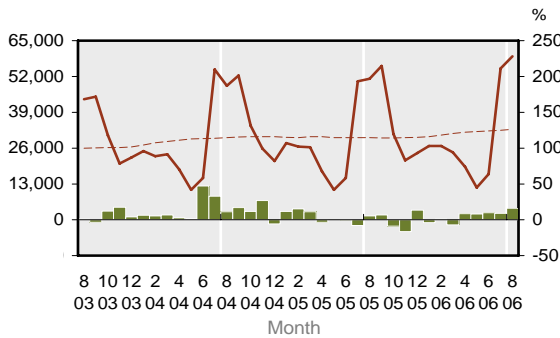
3.22 Hawke's Bay RTO Guest Nights



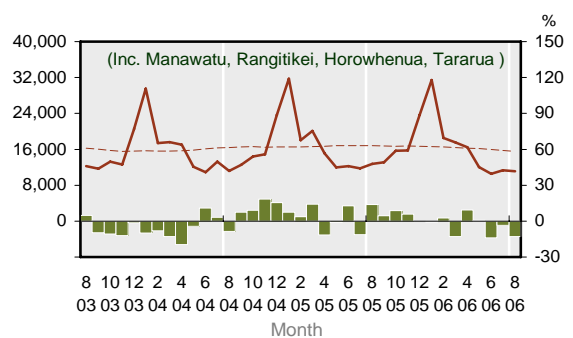
3.23 Taranaki RTO Guest Nights



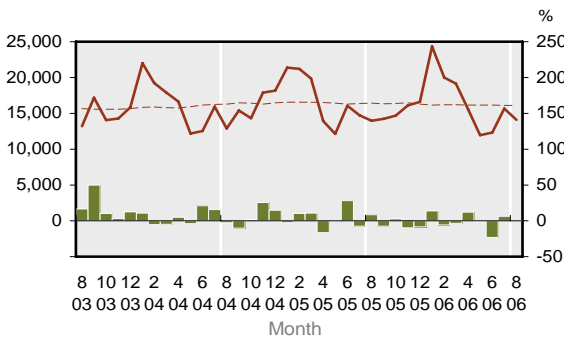
3.24 Ruapehu RTO Guest Nights



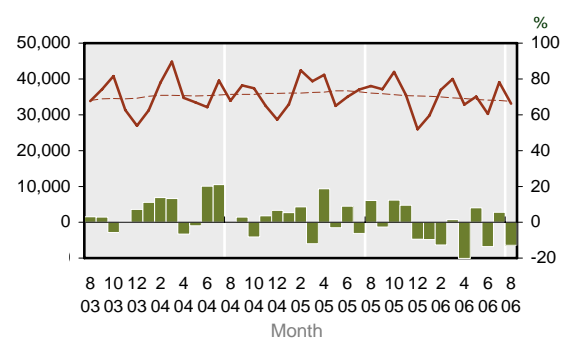
3.25 Combined Manawatu Guest Nights



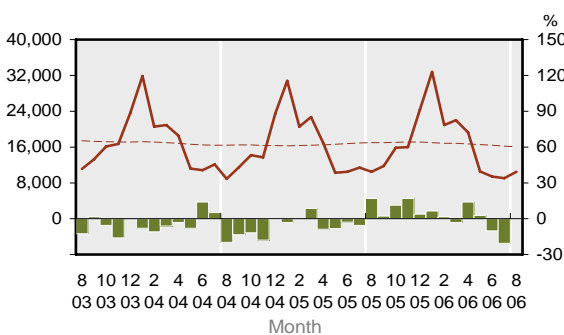
3.26 Wanganui District Guest Nights



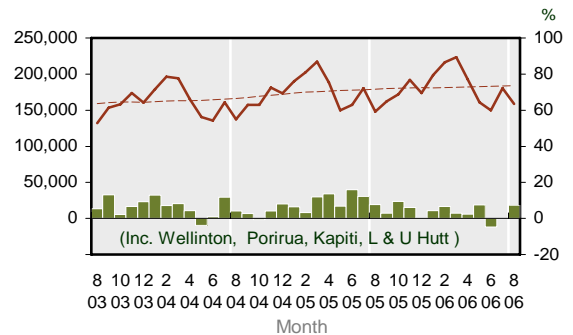
3.27 Palmerston North City Guest Nights



3.28 Wairarapa RTO Guest Nights



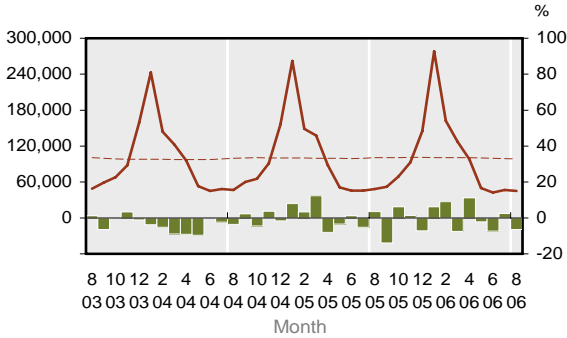
3.29 Wellington Region Guest Nights



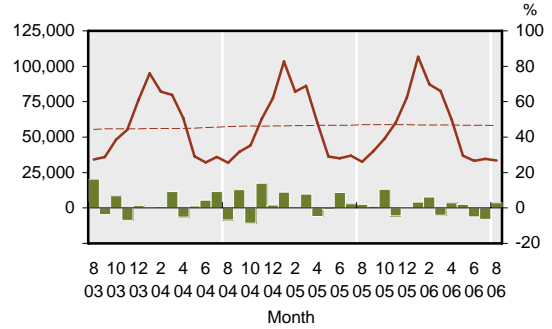
KEY:
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 Dotted line (brown) – trend line.
 Bar chart (green) – growth rate of statistics over the same month previous year (right scale)

TRENDS AND PATTERNS

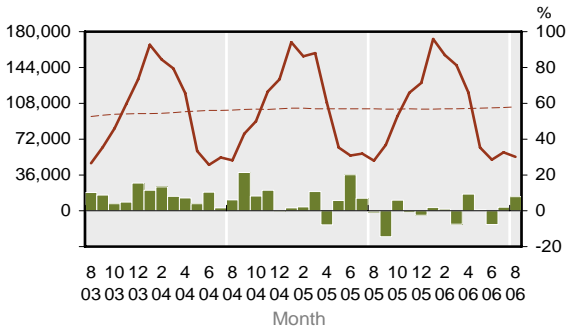
3.30 Latitude Nelson RTO Guest Nights



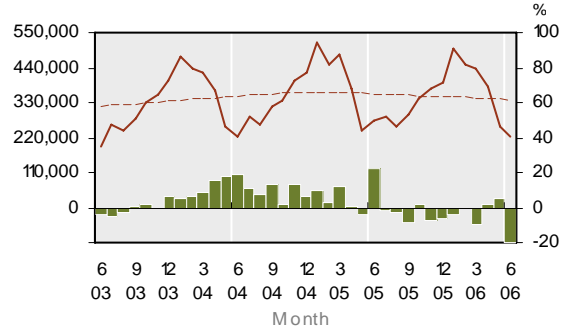
3.31 Marlborough RTO Guest Nights



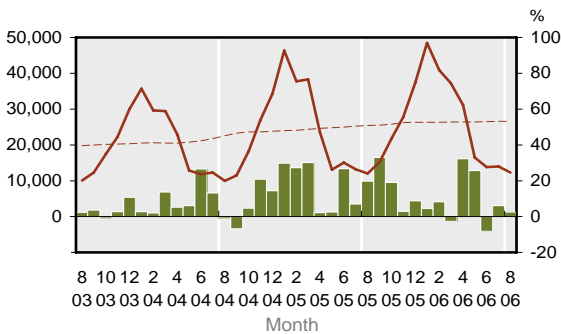
3.32 West Coast RTO Guest Nights



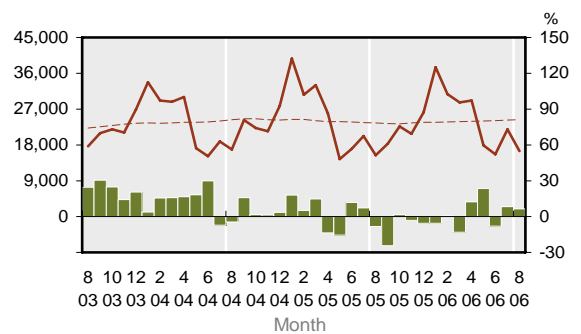
3.33 Canterbury Guest Nights



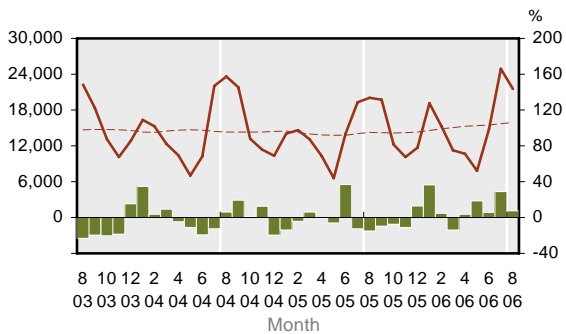
3.34 Kaikoura District Guest Nights



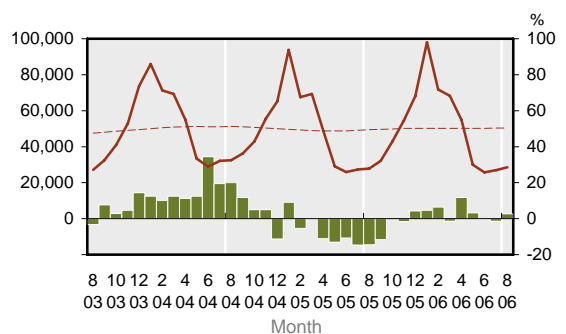
3.35 Hurunui RTO Guest Nights



3.36 Ashburton District Guest Nights



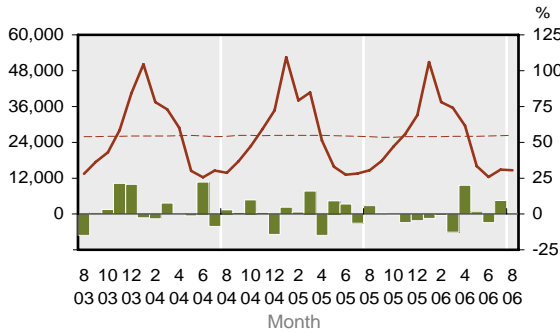
3.37 Mackenzie-Timaru Guest Nights



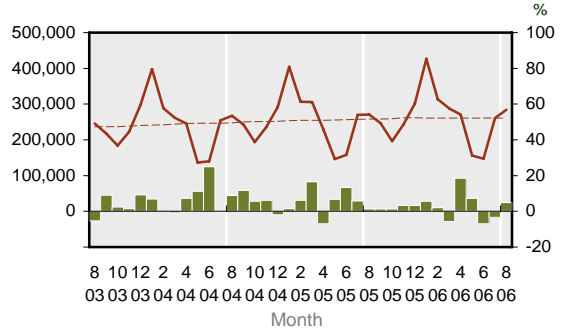
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TRENDS AND PATTERNS

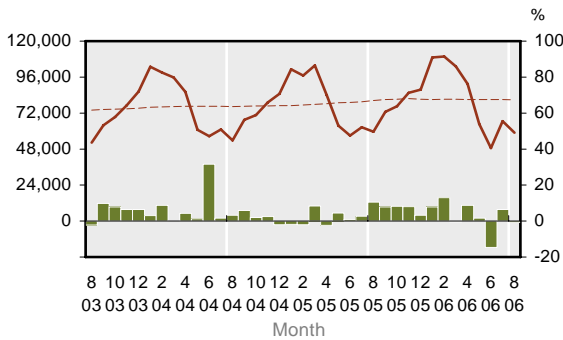
3.38 Waitaki-Waimate Guest Nights



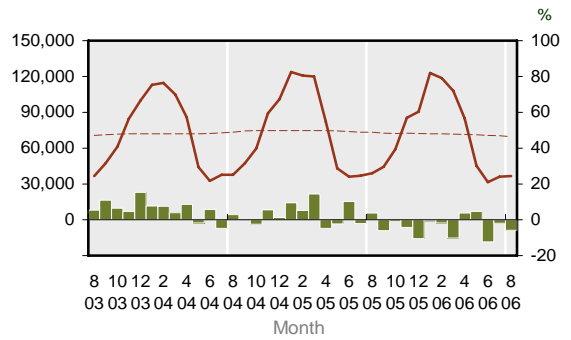
3.39 Queenstown - Central Otago Guest Nights



3.40 Dunedin-Clutha Guest Nights

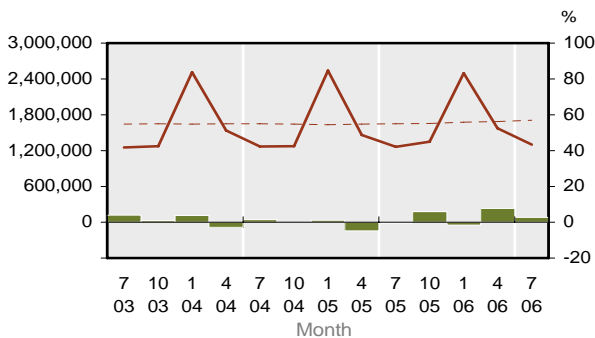


3.41 Southland Region Guest Nights

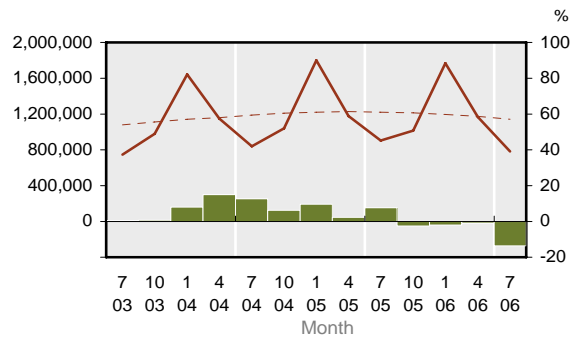


International and Domestic Guest Nights

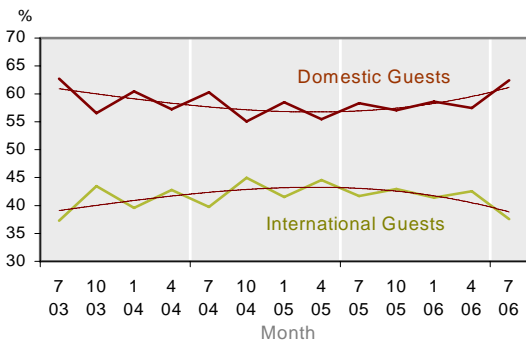
3.42 Domestic Guest Nights



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>