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Media release

Tourism still growing but more slowly

New international visitor arrival statistics confirm the growth in New Zealand's tourism economy is slowing after four years of exceptional growth, Tourism Industry Aotearoa says.

According to **Stats NZ data** released today, international arrivals grew 3.5% to 3.86 million in 2018, noticeably down from the 6.7% growth of 2017.

The new statistics reinforce that after a remarkable period of growth, New Zealand's \$39 billion tourism industry is entering a new phase, where the growth is less spectacular, TIA Chief Executive Chris Roberts says.

"While we still welcomed a record number of international visitors in 2018, the rate of growth is clearly slowing, and has been since April 2018.

"This reinforces the need to focus on growing value faster than volume. It is important to increase the spend from the visitors we attract, rather than have more of them."

The industry's outlook for 2019 and 2020 is soft, Mr Roberts says.

"Travel from the UK could decline further, influenced by what happens with Brexit. Visitor numbers from the UK were down 4.9% in 2018.

"China's economy is slowing which may impact the number of Chinese travelling. We have increased air connections with Australia but that is yet to stimulate any significant growth, with only a 1.5% increase last year.

"South America has been a rapidly developing market but is now slowing. Arrivals from Germany were down 2.6% in 2018, and other European markets were also soft," he says.

In addition, New Zealand is not hosting any major international sporting events in the next two years.

"The attention of TIA and of industry leaders is firmly focused on ensuring the benefits that tourism brings to New Zealand communities are sustainable in the long-term. We want to ensure we can better ride out the cyclical ups and downs of the industry," Mr Roberts says.

TIA is working closely with the government, local councils and the tourism industry to put in place better planning and management for future tourism growth.

TOURISM INDUSTRY AOTEAROA

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Over 750 tourism businesses have signed up to the **Tourism Sustainability Commitment**, showing a shared industry dedication to economic, visitor, community and environmental sustainability, Mr Roberts says.

“Our focus remains firmly on growing value faster than volume. Since 2014, we have seen international arrivals increase by 35%. However, their spend has gone up much faster, by 54%. We are clearly getting better value per visitor and this trend must continue.”

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KEY FACTS

- Tourism in New Zealand is a \$107 million per day industry. Tourism delivers around \$44 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$63 million in economic activity every day.
- Tourism is New Zealand’s biggest export earner, contributing \$16.2 billion or 20.6% of New Zealand’s foreign exchange earnings (year ended March 2018).
- 13.5% of the total number of people employed in New Zealand work directly or indirectly in tourism. That means 365,316 people are working in the visitor economy.
- The **Tourism 2025** growth framework has a goal of growing total tourism revenue to \$41 billion a year by 2025.

Visit www.tia.org.nz for more information

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