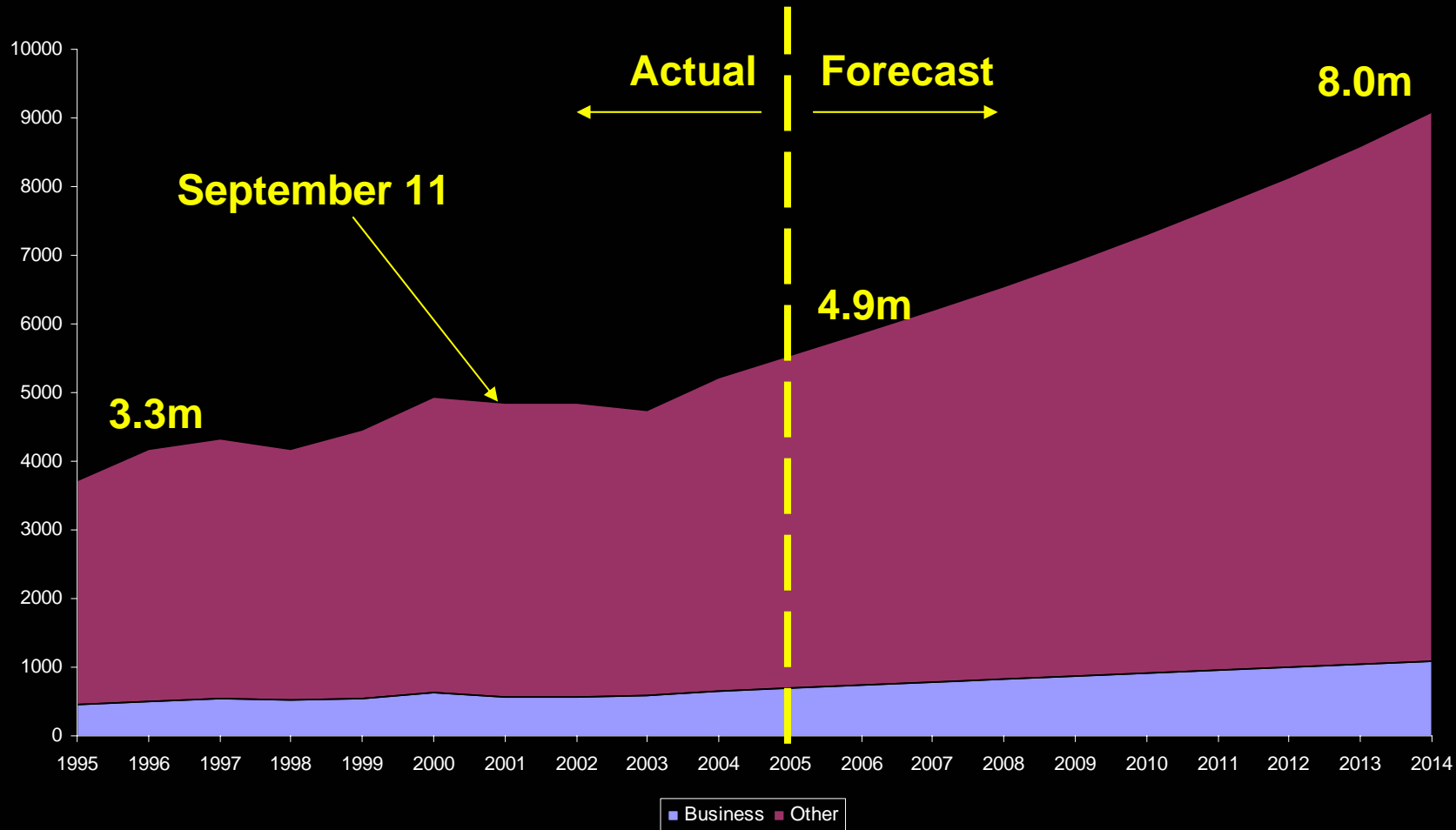




Tourism Futures Fourth National Conference  
*Investment implications of our demographic destiny*

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# Outlook positive for international arrivals



# Cultural re-orientation of Australian tourism

	2005	1995-2005	2005-2014
1 New Zealand	1,111	573	213
2 UK	717	369	264
3 Japan	689	94	205
4 US	456	151	309
5 China	287	245	843
6 Singapore	273	71	100
7 South Korea	250	82	197
8 Malaysia	173	65	123
9 Hong Kong	155	23	74
10 Germany	146	22	64
Other	1,291	315	1,141
Total	5,548	1,822	3,533

Source: Tourism Forecasting Committee

# What drove the New Zealand market?

	<b>Business</b>	<b>VFR</b>	<b>Holiday</b>	<b>Other</b>	<b>Total</b>
1995	108	164	258	8	538
2005	194	294	589	32	1,110
2014	226	353	708	37	1,324

- The New Zealand “Holiday” market has doubled over the last 10 years
- The Kiwi “VFR” market has also almost doubled
- Cheaper airfares, greater propensity to travel, mobile youth
- Steady growth expected over next decade

# What will drive the Chinese market?

	<b>Business</b>	<b>VFR</b>	<b>Holiday</b>	<b>Other</b>	<b>Total</b>
1995	17	9	15	2	43
2005	66	31	150	39	287
2014	184	70	718	158	1,130

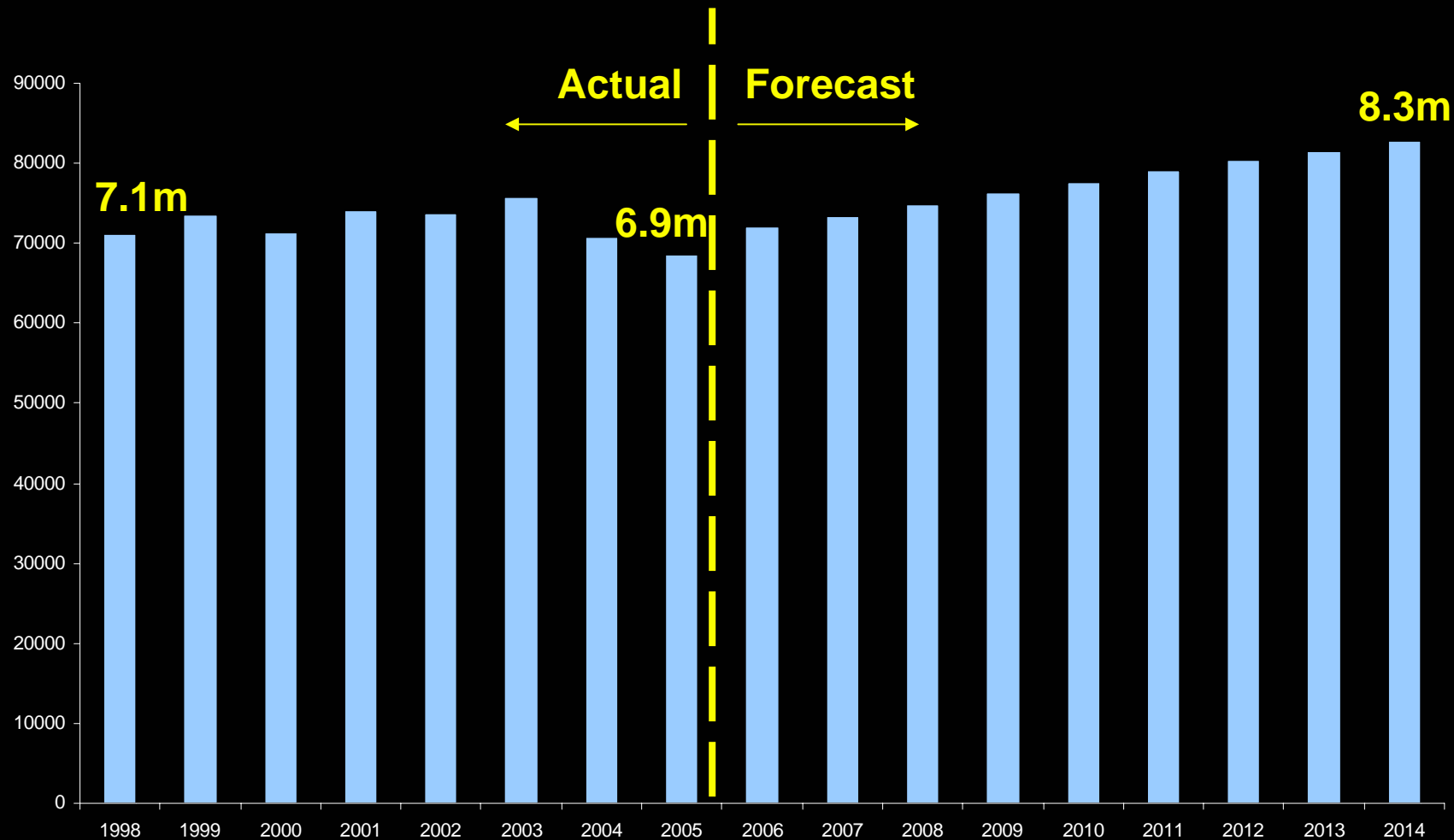
- Strong growth off low base over last decade across all sectors
- Extraordinary growth expected in Chinese “Holiday” market over next decade ... double the growth in the New Zealand “Holiday” market of the last decade
- Cheap airfares, middle-class-isation of China, perhaps more connections between second tier cities

# Shifting markets for inbound visitors

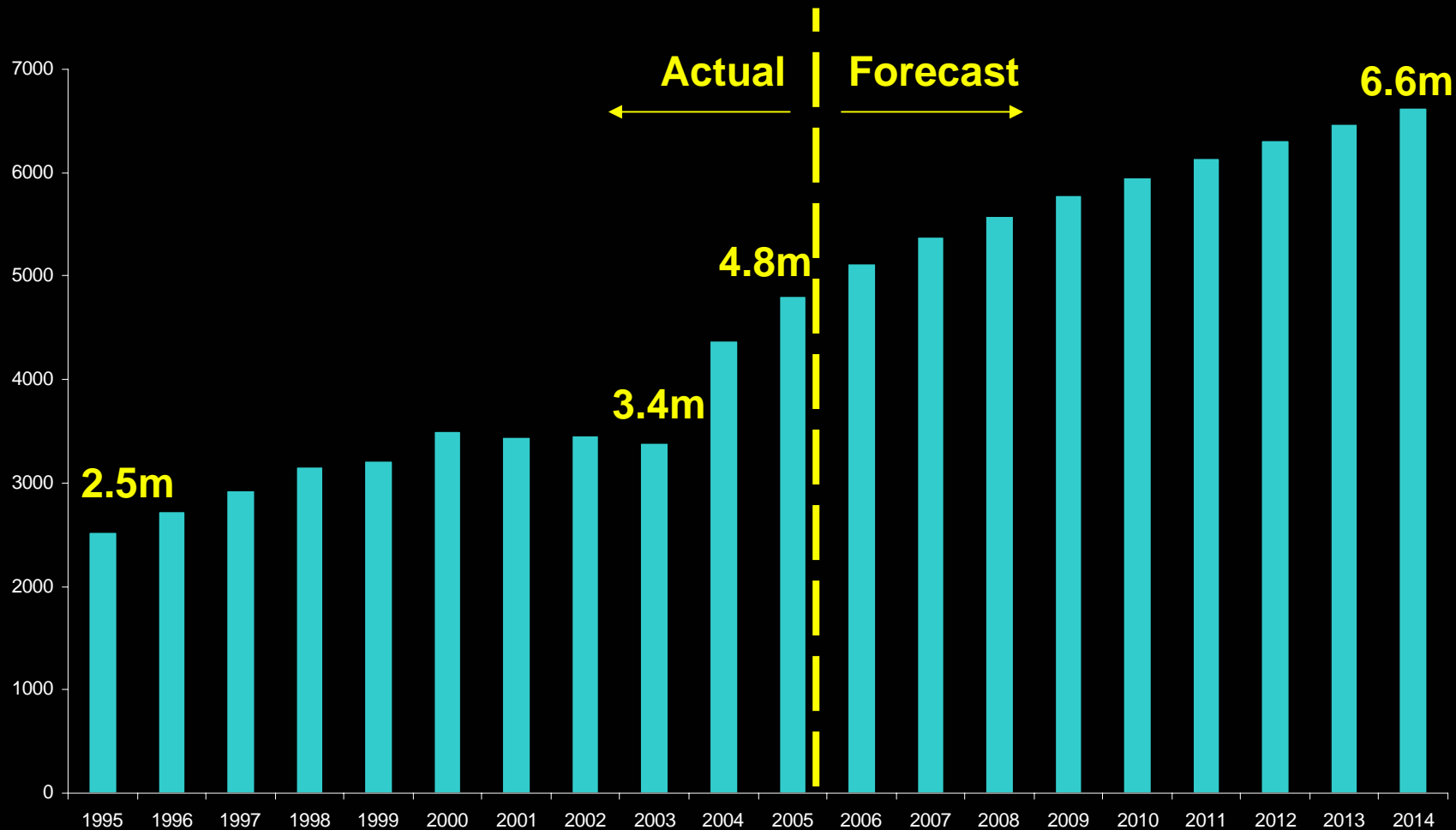
		1995		2005		2014
1	Japan	723	Japan	596	Japan	778
2	NZ	258	NZ	590	China	718
3	US	157	UK	405	NZ	708
4	Singapore	153	US	234	UK	597
5	UK	147	Sth Korea	187	US	388

- Japan dominated the “holiday” market in the mid 1990s
- The “Commonwealth Surge” delivers almost 1 million NZ and UK holiday-makers by 2005
- China expected to do a “South Korean surge” over next decade

# Domestic visitor nights have remained more or less static for 8 years



# Outbound rebound across the board



# Concluding comments

- Develop linkages with China ... to become the 'new Japan' by the middle of next decade
- Cultural and sporting connections support a Commonwealth Surge
- Outbound rebound aligns with global perspective of Generation Y
- Domestic market outlook modest ... may pick up as Boomers push into retirement mid next decade

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