



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

New Zealand Tourism Forecasts 2017-2023

May 2017



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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Ministry of Business, Innovation and Employment (MBIE)

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Foreword

It is my pleasure to release the Ministry of Business, Innovation and Employment's (MBIE's) international tourism forecasts for the 2017-2023 period.

In the past few years, the New Zealand tourism sector has achieved good results despite the uncertain global situation and the Kaikoura earthquake. Looking forward, the outlook is positive despite the short-term risks. Reflecting this, MBIE's tourism forecasts show annual international visitor expenditure increasing 52.1 per cent to \$15.3 billion by 2023.

The forecasts are based on econometric modelling, current trends and best available forecasts of international factors. They provide a baseline for what will happen 'if things keep going this way'. The forecasts do not set targets and are not numbers carved in stone. Rather, I hope that these forecasts will encourage strategic thinking and planning from the industry so that it can continue to provide visitors with high-quality experiences while striving toward the aspirational goals set out in the Tourism 2025 framework. The Government will also use these forecasts to inform its work in supporting the industry.

The forecasts are subject to the global economic situation. We have modelled a range of possible outcomes, and present an average of these outcomes. The actual values in the future are likely to deviate from the modelled average.

We expect that China and Australia will remain key markets in the coming years, with arrivals from these two countries projected to make up 55 per cent of visitors by 2023. Total visitor numbers are expected to grow strongly in the coming two years due to new air routes, increased capacity, better air connectivity and planned international events to be held in New Zealand. In the medium to long term, visitor numbers are forecast to grow gradually to reach 4.9 million per annum in 2023.

The Ministry uses a technical committee to moderate and improve the forecast results. The technical committee consists of members from the Ministry, Air New Zealand, Airways New Zealand, Auckland International Airport, Christchurch International Airport, Queenstown Airport, Tourism Holdings Ltd, Tourism Industry Aotearoa, Tourism New Zealand and Wellington International Airport. This approach of combining quantitative modelling with expert industry knowledge has worked well to deliver better results. I would like to take this opportunity to thank all of you who were involved in this process.

An interactive web tool for users to explore the forecast results for key markets is available on MBIE's website (search for MBIE tourism forecasts).

I hope that tourism organisations, businesses and stakeholders find these forecasts helpful in their planning and investment decision-making.



Michael Bird, General Manager

Evidence, Monitoring and Governance

Ministry of Business, Innovation and Employment

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Key Messages

Visitor arrivals to reach 4.9 million by 2023

- International visitor arrivals to New Zealand are forecast to reach 4.9 million visitors in 2023 (from 3.5 million in 2016, up 39 per cent). This equates to a growth rate of 4.8 per cent per year.
- Strong short-term growth will be driven by a range of factors, including an increase in airline capacity, low travel costs, international events planned in New Zealand, and destination marketing. This growth is forecast to moderate in the medium to long term.

International spend to surpass \$15 billion by 2023

- Total annual international spend¹ is forecast to reach \$15.3 billion in 2023, up 52.1 per cent from 2016. Growth in visitor numbers is expected to be the main contributor to overall international spend growth, with increasing spend per trip (or visitor) also playing a significant role.

China to overtake Australia as our largest market by spend...

- China is expected to become New Zealand's largest tourism market by spend during the forecast period, and to reach \$4.3 billion annually by 2023. Visitor numbers are expected to reach just under one million by the end of the forecast period.
- China is expected to contribute to 37 per cent of total international visitor growth from 2016 to 2023, and 51 per cent of total visitor spending.

...though Australia will remain the largest source of visitor arrivals

- Australia is New Zealand's largest visitor market, and is forecast to remain so over the forecast period. We forecast that this market will contribute 1.8 million annual visitors to New Zealand by 2023, up 25 per cent from 2016, or 3.2 per cent each year.

¹ This measure refers to spend by travellers aged 15 and over, excluding international airfares, and individuals whose purpose of visit to New Zealand was to attend a recognised educational institute, and are foreign-fee paying students.

Background

Each year, the Ministry of Business, Innovation and Employment (MBIE) produces international tourism forecasts to support planning and investment processes in the tourism industry.

The forecasts are developed using MBIE's tourism forecasting model with input from a small technical moderation committee of industry participants. This approach, supported by one-on-one discussions with members of the industry, helped develop this outlook. The forecasts are based on microeconomic drivers, such as projected airfare costs and airline capacity, as well as macroeconomic drivers, such as projected exchange rates, oil prices, the global economy and the economies of our key visitor markets.

The forecasts provide a baseline for international tourism arrivals and spending. They can be used to help industry plan strategically, but are by no means setting targets for specific markets.

MBIE will continue to update the forecasts annually. They are based on estimated future demand and, as such, are not limited by any potential supply constraints, such as the capacity of accommodation, international flights and other factors. These factors could limit actual growth to below what is forecast.

While the forecasts provide our best estimates of expected growth, the further out the time frame the greater the uncertainty. The forecasts presented are averages of a range of modelled outcomes adjusted based on intelligence provided by the technical committee members who are tourism industry specialists. The actual values are likely to deviate from the modelled average (see the section on [Uncertainty in the Forecasts](#) for details).

For the first time, a review of the performance of our previous tourism forecast is conducted and included in the report. The review suggests that last years' forecasts predicted 2016 arrivals and spend relatively well – though, of course, there remains the potential for improvements (see the section on [Performance of the 2016-2022 Forecasts](#) for details).

The industry-led Tourism 2025 framework provides a shared vision and common framework to increase the contribution of tourism to the New Zealand economy. The Government tourism strategy also sets out a role for Government in enabling the tourism sector to increase its contribution to the economy. Success of government and industry initiatives will help the tourism sector achieve its Tourism 2025 \$41 billion aspirational goal (both international and domestic spending) by 2025 based on 6 per cent year-on-year growth in international expenditure. The tourism forecasts 2017-2023 project New Zealand will exceed the international expenditure target, at 6.2 per cent growth per year to 2023.

Interactive web tool and market summaries

Available on MBIE's website is an interactive web tool to explore forecast data by market, as well as downloadable one-page summaries for each market. These can be found here: <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/international-tourism-forecasts/interactive-web-tool>.

International tourism forecasts, 2017 - 2023

Strong growth is forecast for both international arrivals and spend in New Zealand across the forecast period, driven by strong growth in Asian markets, especially China, and continued growth in established markets such as the US and the UK.

Overall international visitor arrivals to New Zealand are forecast to reach 4.9 million visitors in 2023 (from 3.5 million in 2016, up 39 per cent). This equates to a growth rate of 4.8 per cent per year.

Overall international visitor spend in New Zealand is forecast to reach \$15.3 billion in 2023 (from \$10.1 billion in 2016, up 52 per cent). This equates to a growth rate of 6.2 per cent per year. Spend is projected to grow at a faster pace than visitor numbers over the forecast period, suggesting that spend per visitor will increase.

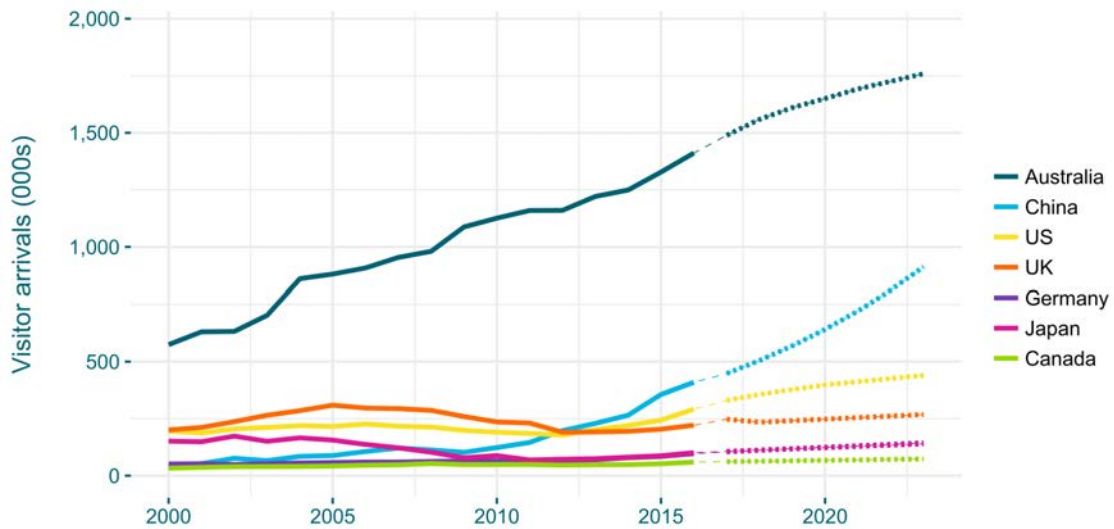
Table 1: International tourism forecasts show strong growth in visitors and spend

Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ²
Total spend (\$m)	10,086	10,685	11,248	11,936	12,685	13,486	14,365	15,340	52%	6.2%
Total visitors (000s)	3,500	3,734	3,917	4,103	4,284	4,471	4,661	4,861	39%	4.8%
Total days (000s)	66,717	71,384	74,664	78,276	81,880	85,592	89,448	93,562	40%	4.9%
Spend per day (\$)	183	182	184	186	189	192	195	199	9%	1.2%
Avg length of stay (days)	19	19	19	19	19	19	19	19	1%	0.1%

As seen in Figure 1, Australia provides, and will continue to provide, the largest share of our international visitor arrivals. We project that short-term growth will be supported by major events in 2017 and an increase in air capacity. In the medium to long term, growth will continue as long as their economic indicators remain strong.

² Compound annual growth rate (CAGR)

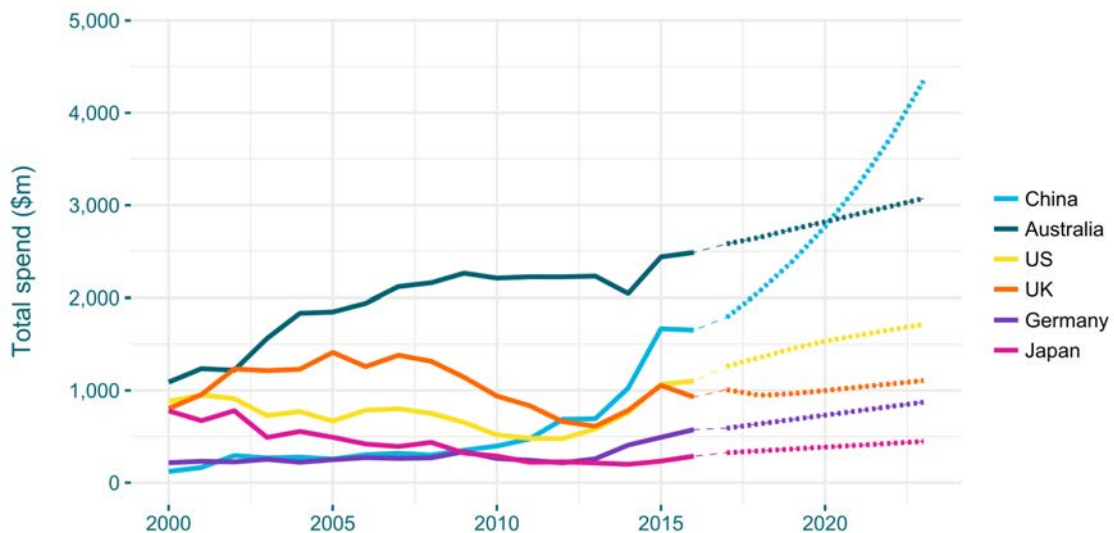
Figure 1: Australia is projected to remain New Zealand’s largest market in terms of volume



Source: Statistics New Zealand, MBIE

China is New Zealand’s second largest tourism market in terms of both arrivals and spend. This market is expected to grow strongly during the forecast period overpassing Australia as the largest contributor in spend. Major events such as Australia-China Year of Tourism 2017 and New Zealand-China Year of Tourism 2019, policy changes extending the duration of multiple-entry visitor’s visas to five years, and an increase in airline seat capacity are all expected to support this strong growth.

Figure 2: Australia is currently our largest market by spend, but China is projected to overtake it in the near future



Source: MBIE

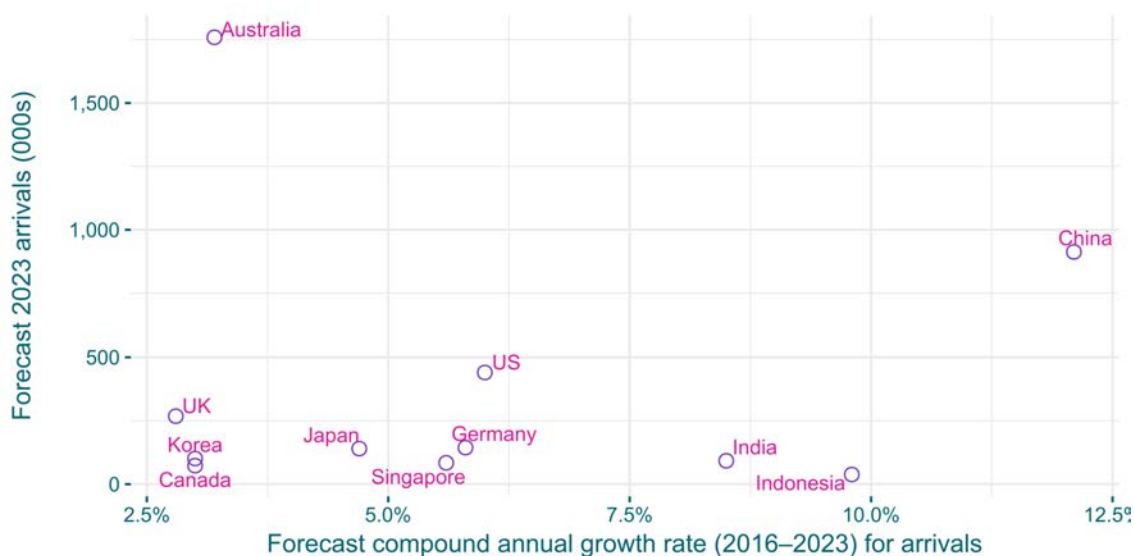
Other Asian countries (Japan, South Korea and Singapore) are expected to grow strongly, albeit from relatively smaller visitor bases than the China market. These markets are expected to maintain their growth momentum in the short term and grow gradually in the medium to long term, supported by the increase in airline seat capacity and low airfare costs.

Growth in US visitor arrivals is expected to be solid for the next couple of years due to the addition of new air routes and upgraded air capacity. Over the long term, growth will continue. The improving economy and stronger US dollar is expected to boost spending of US visitors who come to New Zealand.

Major events such as the Lions Tour 2017 are expected to boost UK visitors in the short term. In the medium and long term, the UK market is expected to show moderate growth as the competition from cheaper European destinations is expected to limit a strong upturn in UK visitor arrivals.

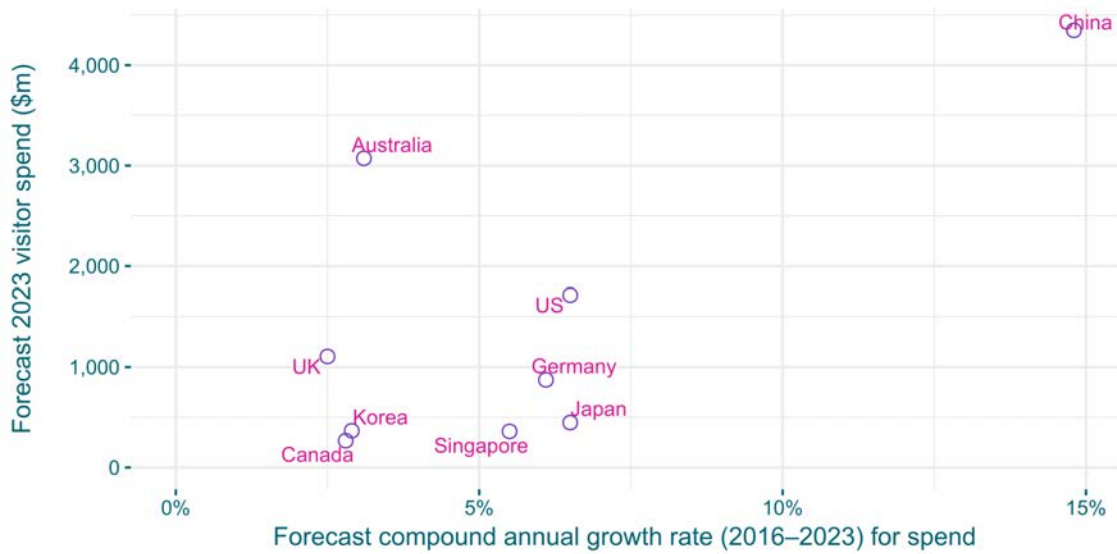
Both the Germany and Canadian markets are expected to maintain strong growth in the short term, with growth slowing in the medium to long term. Short-term growth will be supported by the increase in airline seat capacity, and their positive economic outlook.

Figure 3: China arrival growth outstrips advanced economies during the forecast period



Source: Statistics New Zealand and MBIE

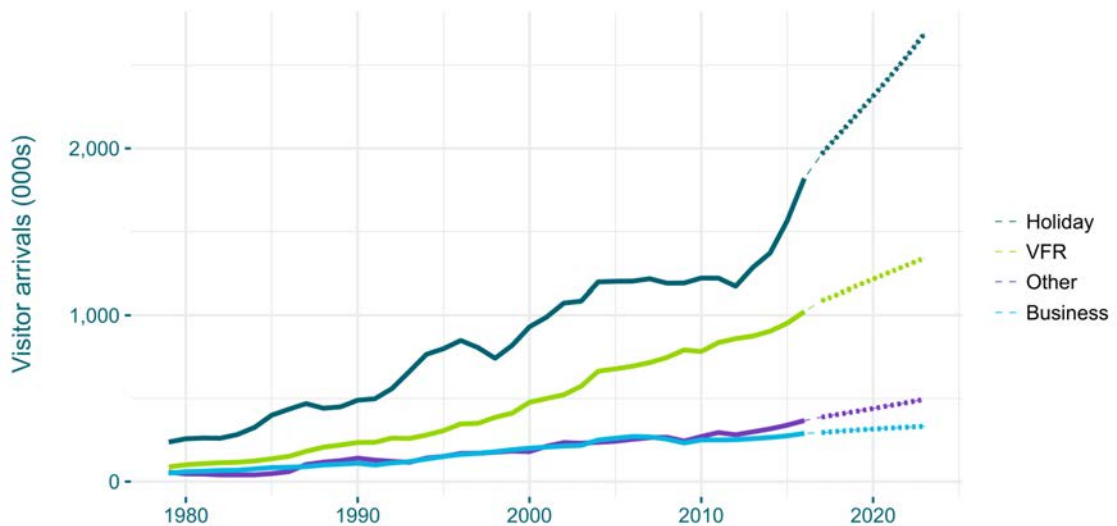
Figure 4: China is forecast to be New Zealand’s largest market by spend in 2023



Source: MBIE

When looked at by purpose of visit, the overall growth of international visitors will be driven by holidaymakers. Holiday visitor arrivals are forecast to increase 48 per cent to 2,691,000 by 2023, while visiting friends and relations will increase 31 per cent to 1,342,000; and business visitors are forecast to reach 333,000, an increase of 15 per cent.

Figure 5: Growth of international visitors will be largely driven by holidaymakers – visitor arrivals by purpose of visit



Source: Statistics New Zealand and MBIE

Drivers of the forecasts

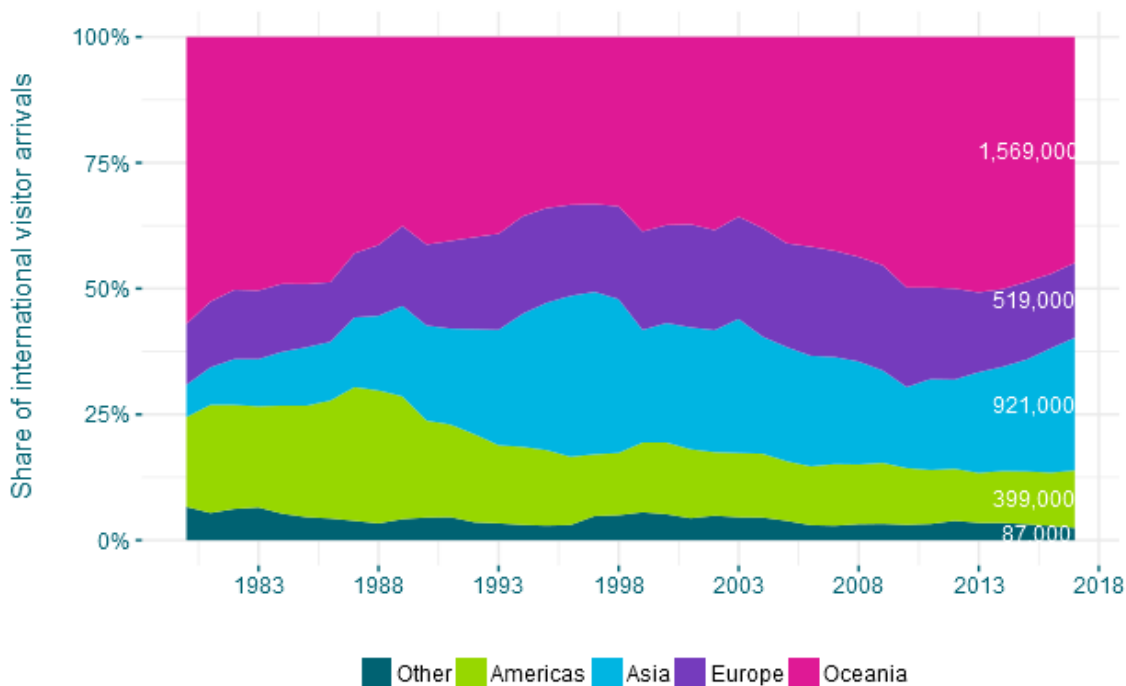
This section provides an analysis of recent performance and the drivers of the 2017 forecasts.

Arrivals

Figure 6 shows the historic share of international visitor arrivals to New Zealand over time. While visitors from Oceania (mostly Australians) made up the largest share of New Zealand's international visitors up to 2016, Asian markets are growing proportionately more than other markets in recent years.

Stand-out markets include the US (arrivals up 20 per cent in 2016) and China (arrivals up 15 per cent in 2016, having grown 54.4 per cent in total over the last three years). Arrivals from Australia were strong as well, up by 6.3 per cent, compared to the 2.3 per cent growth experienced in 2014.

Figure 6: Arrivals from Asian markets are growing

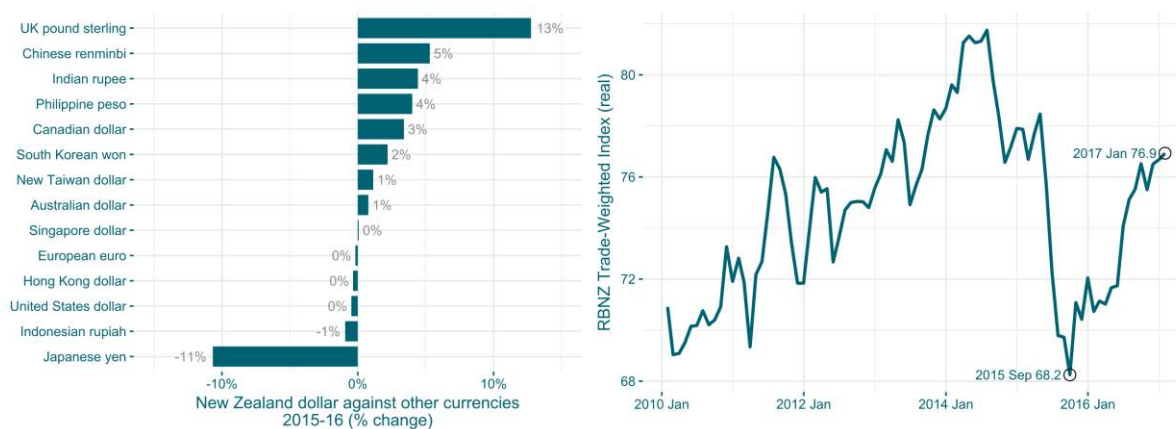


Source: Statistics New Zealand and MBIE

Exchange rates

An appreciating New Zealand dollar has partly offset the growth in international tourism spending over the past two years. The New Zealand dollar appreciated against most of our trading partners' currencies (except for the Japanese Yen) between 2015 and 2016. The trade weighted index is also tracking upwards, and increased by 13 per cent from its lowest point in September 2015 to January 2017 (see Figure 7).

Figure 7: Appreciating New Zealand dollar eroded tourism earnings



Source: Reserve Bank of New Zealand and MBIE

While exchange rates make a large difference on overall tourism spend, for this edition of the forecasts, exchange rates are excluded from the forecasting model. This is because exchange rates are:

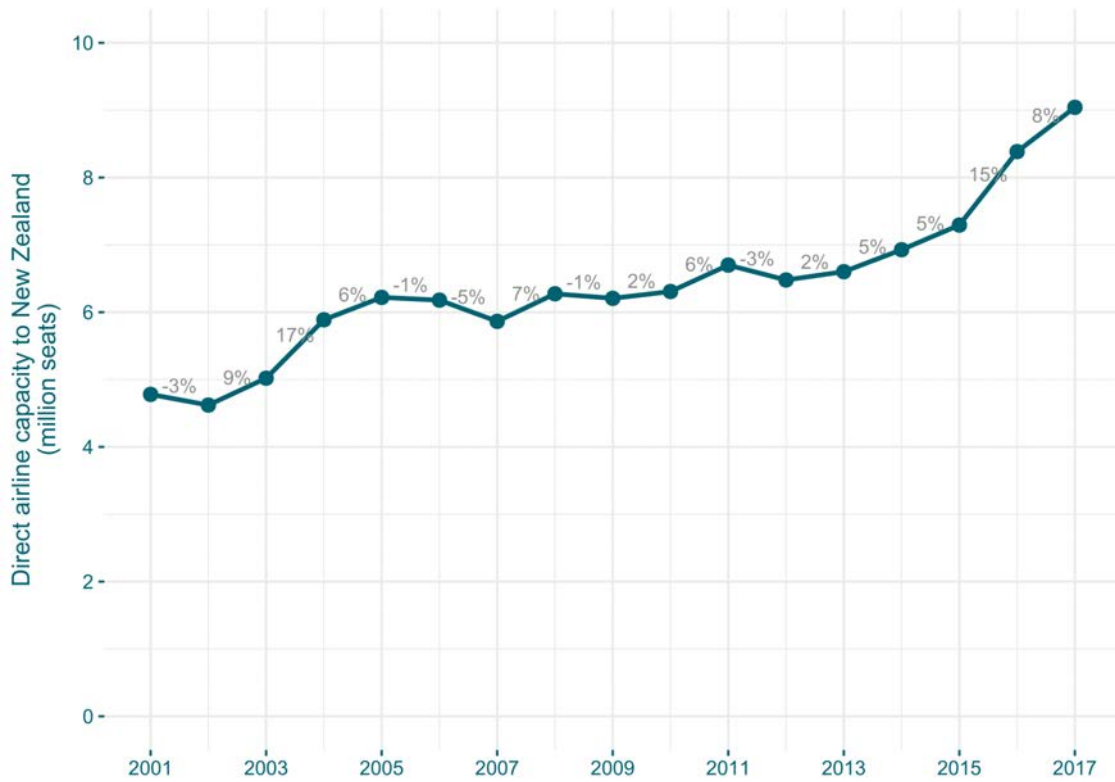
- extremely difficult to forecast, and likely to introduce a higher error into the forecast if included
- weakly correlated with arrivals, and not a good predictor
- only a currency conversion rate, and will not affect spending in visitors' home currencies. Exchange rates only affects how much spending in home currency will be converted to New Zealand dollars.

Air capacity

The increase in airline connectivity and capacity is one of the key contributors to the increase in international visitors to New Zealand. New routes starting and routes being cancelled from a country are likely to make a significant impact on international visitors from that country.

The direct flight capacity is projected to continue to grow in 2017 by 8 per cent (see Figure 8). Direct flights from Asia (especially China and Japan), North America, and the Middle East (connecting to European markets) will be the largest drivers to capacity growth. Together, they are expected to bring more visitors to New Zealand from all over the world. Figure 9 illustrates how New Zealand is connected to the rest of world through airlines and where direct flights are going to change in 2017.

Figure 8: Overall direct flight capacity to New Zealand continues to grow



Source: Sabre

Figure 9: Most of New Zealand's non-stop flight routes show an increase in capacity in 2017



Forecast drivers and analysis by country

This section provides an overview of the drivers behind the forecasts for New Zealand's largest tourism markets, along with some smaller markets with strong growth potential. Detailed one-page summaries of the forecast numbers by country are available in Appendix A: Forecast summaries by country. Only countries that have a sufficiently large number of visitors have a forecast for tourism spend, due to the limitations of the International Visitor Survey as a data source³.

Australia

	2016 result	2023 forecast
Visitor arrivals (000s)	1,412	1,759 (up 3.2% p.a.)
Visitor spend (\$m)	2,487	3,073 (up 3.1% p.a.)

Australia is New Zealand's only major short-haul market and provides many of our international visitor arrivals. Many Australian residents visit friends and relatives, and tend to come more frequently but stay for shorter periods than visitors from long-haul markets. Of the 1.4 million Australian arrivals in 2016, around a third were New Zealand passport holders.

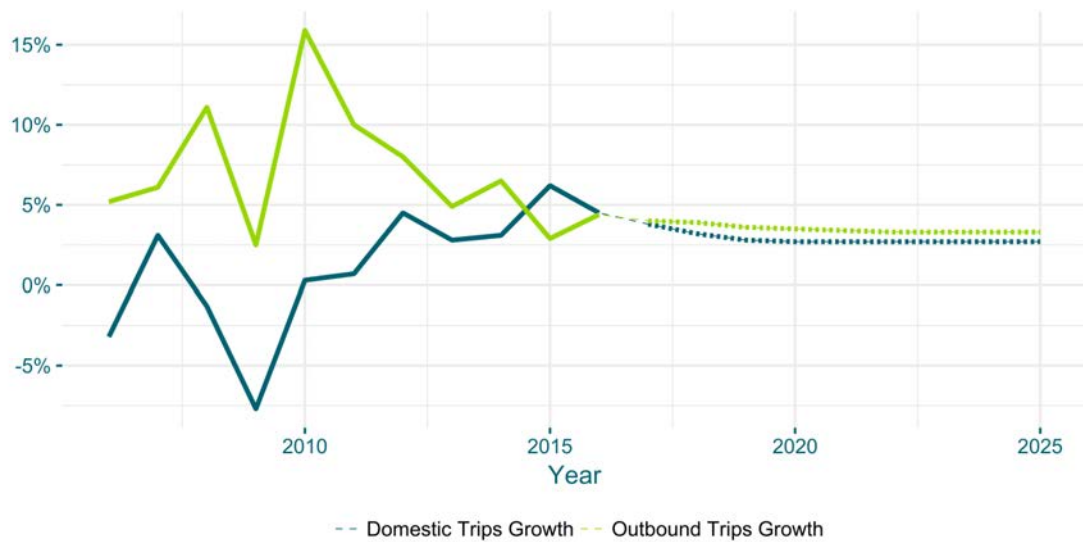
The growth in arrivals from Australia continued to be strong in 2016, up 6.3 per cent, following similar growth in 2015.

In the short term, we can expect growth in the Australian market due to increased capacity. Long-term drivers include the movement of New Zealanders to Australia and the subsequent growth of travellers visiting friends and relatives.

When their economy is weak, Australians tend to forego more expensive long-haul holidays and travel to short-haul destinations such as New Zealand, mitigating the impact on visitor arrivals of a downturn in the Australian economy. Since the global financial crisis, Australians have preferred to holiday abroad rather than take domestic holidays, but as of 2016, growth in domestic and international trips were similar (see Figure 10).

³ The IVS is a sample survey. Countries with small samples in the survey (due to relatively low visitor numbers) are subject to higher amounts of error. If the historical spend time series for a country is not sufficiently robust, separate spend forecasts are excluded.

Figure 10: Australian forecasts show growth in both domestic and international tourism



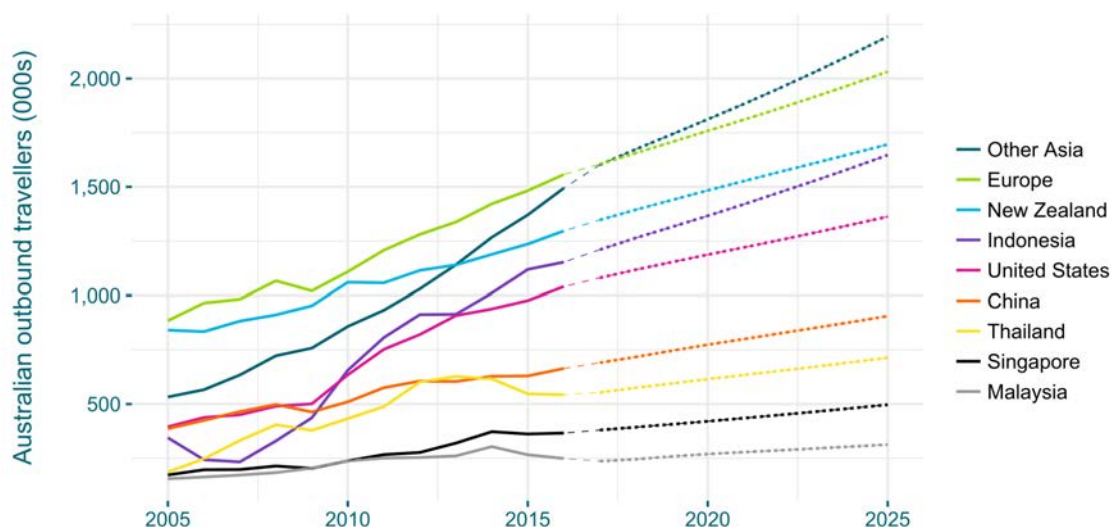
Source: Tourism Research Australia

Changes in air capacity could have a strong influence on arrivals from Australia, especially if they result in increased competitive pressure on air fare prices.

We expect that the growth in spending will continue into 2017 and 2018, as long as Australian economic indicators remain solid. While the downturn in mining regions is becoming more pronounced and the global backdrop remains challenging, activity appears to be broadening across non-mining sectors and states.

The longer-term outlook for Australia remains optimistic, with the economy showing signs of recovery (1.1 per cent GDP growth in fourth quarter 2016), and the movement of New Zealanders (living in Australia) across the Tasman continuing to boost visitor arrivals. The broadening appeal of new and growing Asian markets may temper longer-term growth (see Figure 20).

Figure 11: Asian destinations may increasingly compete with New Zealand for Australian tourists



Source: Tourism Research Australia

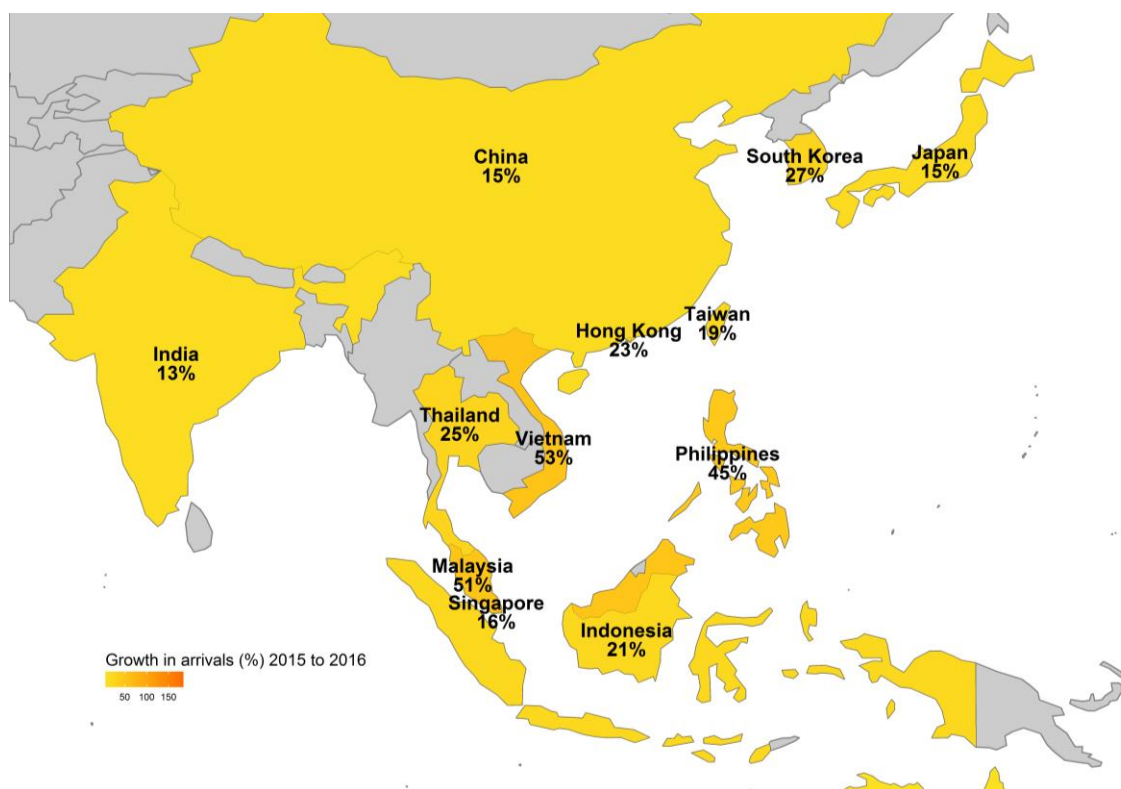
Asia

Due to its proximity and growing middle-class population, Asia is one of the most important regional tourism markets for New Zealand, currently and in the future. Outbound tourism from this region is changing the profile of New Zealand’s international tourism markets. Recent sustained visitor growth has coincided with expanding growth in spend.

In New Zealand, relatively untapped Asian markets are growing strongly, albeit from a smaller visitor base than the dominant China market. According to the latest IMF World Economic Outlook, GDP growth is forecast to be strong for many of these markets in 2017, such as Indonesia, Malaysia, Philippines, Vietnam and Thailand; this suggests that visitor growth in these markets is likely to continue.

Part of Tourism New Zealand’s recent marketing focus has been on India and Indonesia, where it considers there are long-run opportunities for New Zealand. Tourism New Zealand is focused on accelerating growth in high value visitors from these markets over the long term.

Figure 12: Visitor arrivals from Asian countries grew strongly over 2016



Source: International Travel and Migration, Statistics New Zealand

China

	2016 result	2023 forecast
Visitor arrivals (000s)	410	913 (up 12.1% p.a.)
Visitor spend (\$m)	1,653	4,348 (up 14.8% p.a.)

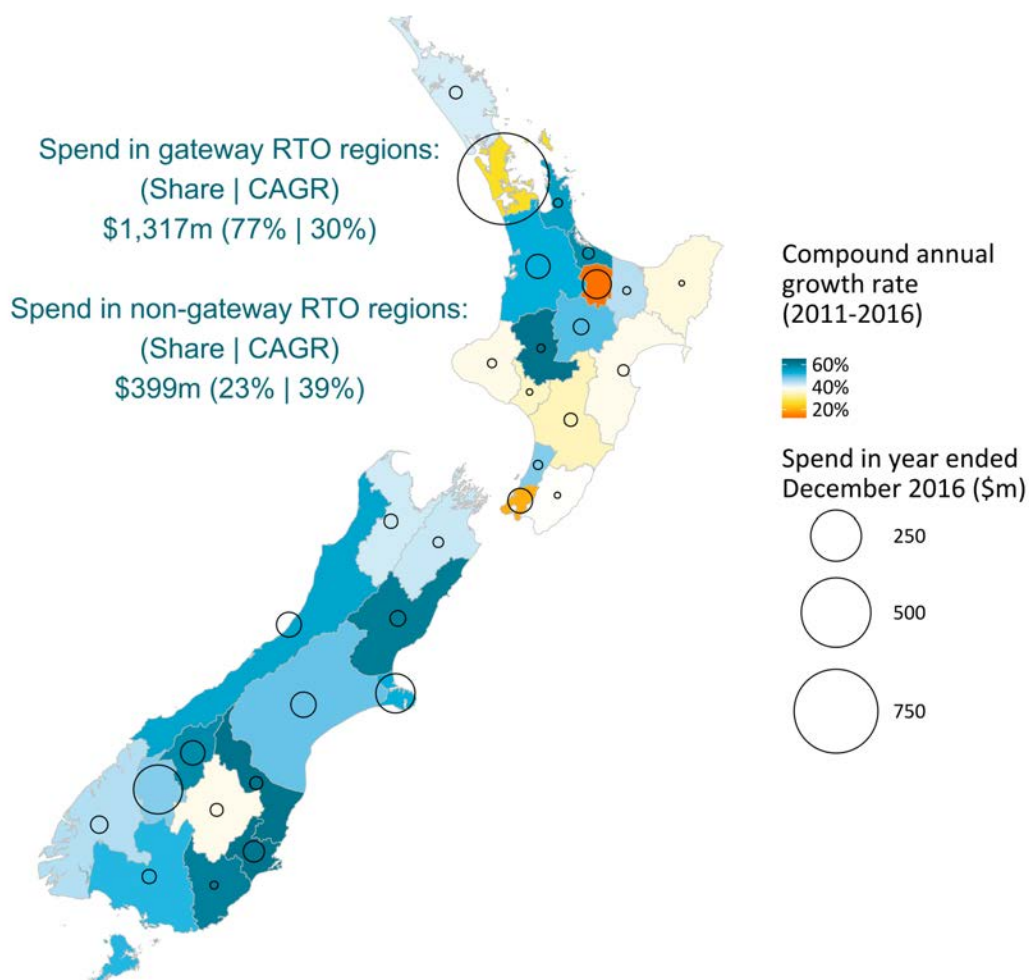
Last year Chinese visitors spent almost \$1.7 billion in the New Zealand economy. Chinese visitors grew strongly in 2016, though down on the record 2015 rate of growth. Total arrivals from China grew 15 per cent in 2016, adding an additional 53,400 visitors per year (the second largest absolute increase in Chinese visitors since 2000).

With some initial indicators such as visa approval numbers in early 2017 suggesting a short-term slowing in the market, there is significant uncertainty on what future growth will be. The view presented in this report and supported by the Forecast Technical Moderation Committee is that the China market slowdown is short-term and will recover and return to double-digit annual growth in the medium term. It should also be noted that there is significant geopolitical risk around the China market. The uncertainty of this market adds some risk to

both China's and the national forecast numbers, particularly due to the relative importance of the China market to New Zealand.

There are an increasing proportion of free and independent travellers (FITs) from the China market, where historically many Chinese visitors have travelled as part of tour groups. This has driven changing travel patterns for this market, with Chinese FIT visitors spreading further across New Zealand's regions.

Figure 13: The Chinese are visiting more regions than before, with strong growth in spend especially in South Island regions



Source: Monthly Regional Tourism Estimates, MBIE

Note: RTO stands for Regional Tourism Organisations

Note: Gateway RTO regions include Auckland, Wellington, Christchurch, and Queenstown

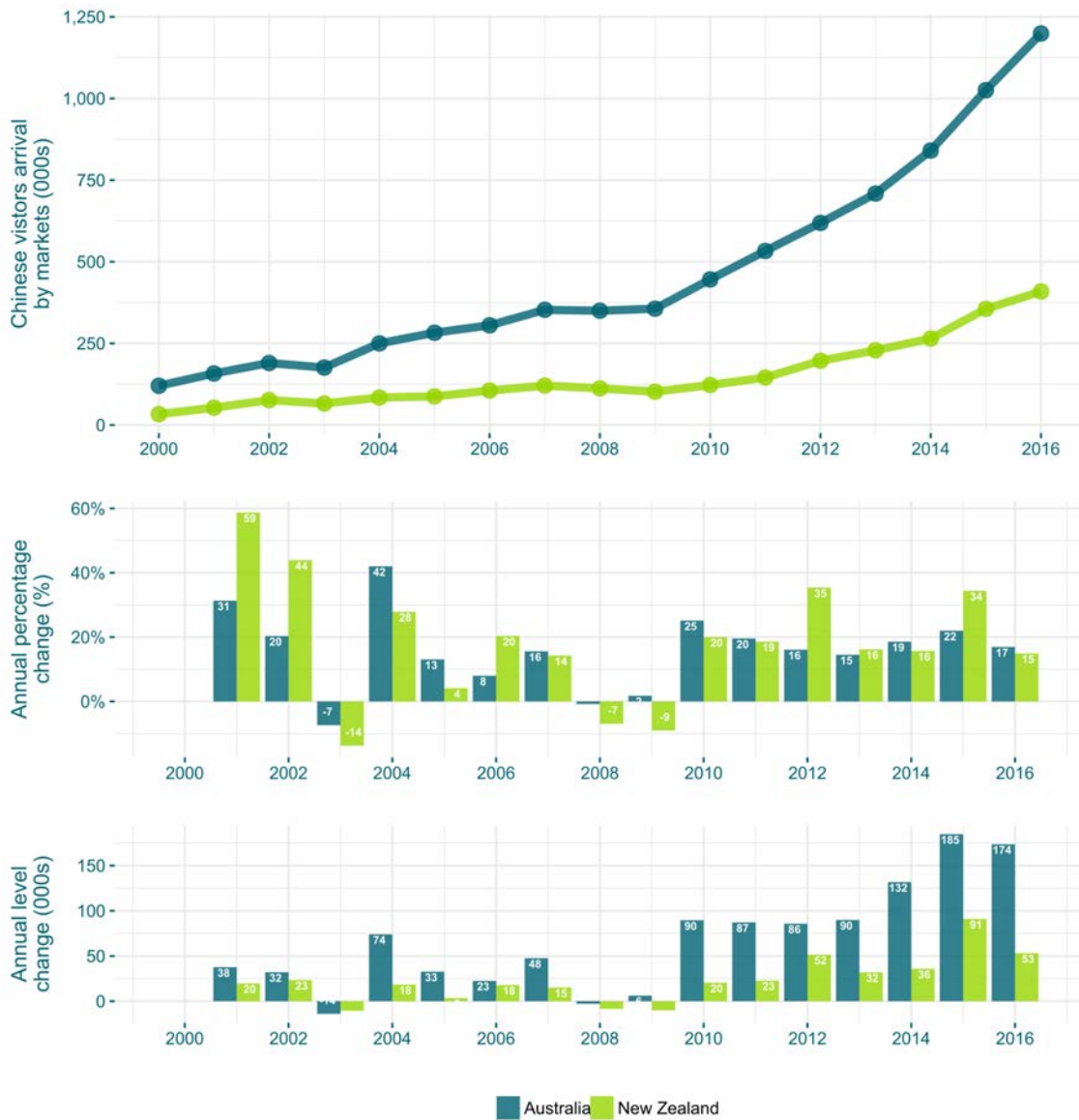
Chinese economic growth is projected to be below 7 per cent over the next two to three years (according to the IMF), as China rebalances its economy and increases its quality of economic growth, reorienting itself towards consumption and services and away from exports. These factors encourage rather than hinder Chinese households from undertaking international travel. We expect visitor arrivals from China to continue to grow strongly over the forecast horizon.

Since January 2017, Chinese citizens have faced extra disclosure requirements when purchasing foreign currencies, though the quota of \$50,000 per person a year was unchanged. The new requirement may negatively impact on propensity to travel but it is too soon to be certain. The average Chinese spend per trip to New Zealand is significantly lower than the threshold, and is therefore unlikely to have an impact.

Changes to the duration of the Chinese visitor visa to New Zealand and the enhanced air service agreement with China are likely to prompt an increase in Chinese visitors to New Zealand, and encourage regional dispersal. The multiple entry visa for Chinese visitors has been extended from three to five years with more flexible online payment options. An enhanced air service agreement with China will also see the maximum allowable number of flights from China increase from 49 to 59 per week. Five Chinese airlines currently fly into New Zealand and a sixth, Sichuan Airlines, will begin operating in June 2017. The agreement means that Chinese airlines can now operate between airports in New Zealand during the course of their international service, so an international flight from China arriving into Auckland will be able to carry on to Wellington.

The China Australia Year of Tourism 2017 will see a series of events across the year which are likely to boost Chinese visitors to Australia. The flow-on effect is expected to be positive for New Zealand, due to an increase in dual-destination (Australia and New Zealand) visitors. Figure 14 shows Chinese arrival growth rates to both New Zealand and Australia are tracking alongside each other, suggesting that both markets are complementing rather than competing with each other.

Figure 14 Chinese visitors to New Zealand and Australia show similar growth patterns



Source: International Travel and Migration, Statistics New Zealand and Australia Tourism Research

Japan

	2016 result	2023 forecast
Visitor arrivals (000s)	101	140 (up 4.7% p.a.)
Visitor spend (\$m)	287	448 (up 6.5% p.a.)

According to the IMF, GDP growth in Japan, fuelled by stronger-than-expected net exports in 2016, is expected to continue into 2017, up a forecast 1.2 per cent. The pace of expansion is expected to weaken thereafter, with the assumed withdrawal of fiscal support and a recovery of imports offsetting the impact of stronger anticipated foreign demand and Tokyo Olympics-related private investment. Over the medium term, a shrinking labour force will weigh on Japan's growth prospects, although its per capita income growth rates are projected to remain near the levels seen over the past several years.

This strong domestic performance, along with recent increases in airline capacity, was the drivers of recent visitor growth. We expect these factors will continue to contribute to growth in Japanese visitors in the short to medium term. Risks to the outlook include geopolitical tension in the East Asian area and/or the global economy and the subsequent flow-on impact this may have on the Japanese economy.

The age distribution of Japanese visitors to New Zealand has shifted towards the younger brackets (see Figure 15), and these visitors spend less than their older counterparts. Encouraging repeat visits provides an opportunity to grow the number of visitors.

Figure 15: Japanese visitors are now much younger than before



Source: International Visitor Survey, MBIE

South Korea

	2016 result	2023 forecast
Visitor arrivals (000s)	83	101 (up 3.0% p.a.)
Visitor spend (\$m)	299	366 (up 2.9% p.a.)

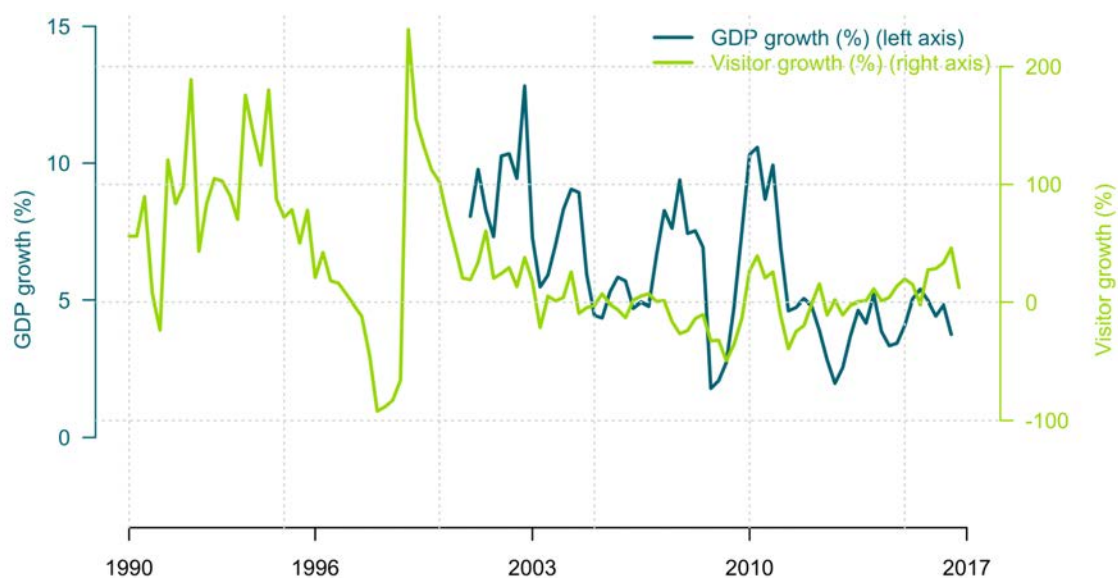
The South Korean visitor market has been volatile over the last few years and is difficult to predict, with changes in demand largely driven by internal factors. Korean visitor arrivals increased 26.8 per cent in 2016, to 83,000 visitors. Korean household consumption has improved in 2016 and is expected to continue. We expect moderate growth from the Korean market in the short to medium term.

South Korea's economy improved in 2016. Most analysts expect this growth to continue in 2017 and 2018. Interest rates have been low, stimulating consumption and investment in the economy. This contributes to economic growth, which helps to support outbound tourism.

Risks to the outlook include geopolitical tension in the East Asian area and/or the global economy and the subsequent flow-on impact on the South Korean economy, but South Korean policy-makers have room to respond to any deterioration in economic conditions because of Korea's persistent government surpluses and low public debt.

Historically, Korean visitors to New Zealand have been particularly sensitive to downturns in their own economic conditions. Visitor arrivals tend to drop rapidly as a consequence (see Figure 32).

Figure 16: Korean visitor growth tends to be weak when the economic growth is weak



Source: International Travel and Migration, Statistics New Zealand and IMF

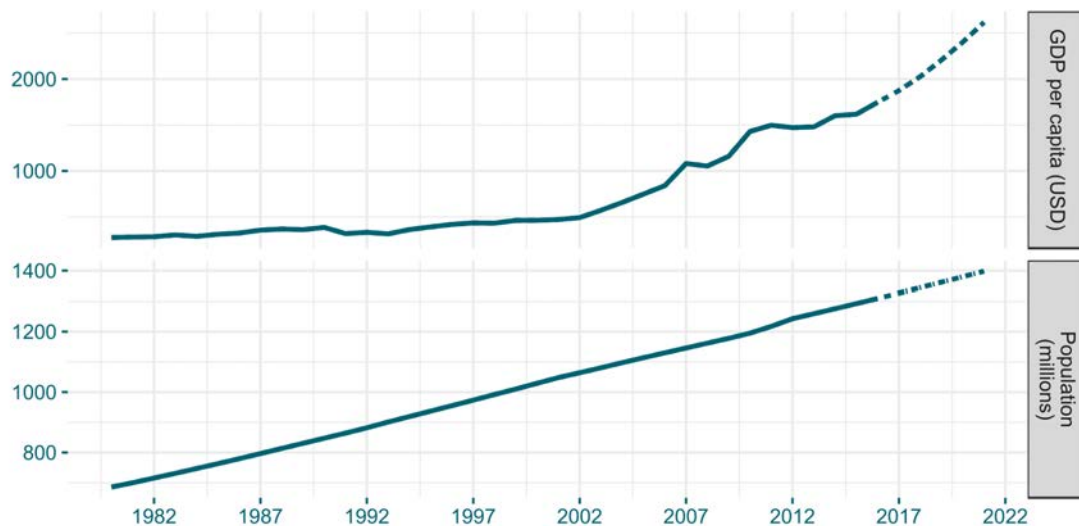
India

	2016 result	2023 forecast
Visitor arrivals (000s)	52	92 (up 8.5% p.a.)

In the latest IMF forecasts, the growth forecast for India in 2017 has been trimmed, primarily because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the recent currency exchange initiative. Medium-term growth prospects are favourable, with growth forecast to rise to about 8 per cent over the medium term due to the implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

India holds much promise as an emerging market for New Zealand in the future. The size of the market is huge, with India's current population at 1.3 billion and is set to overtake China as the most populous country in 2022 (as forecast by the United Nations). Incomes are also growing (see Figure 17). However, the average income or GDP per capita is much lower than other emerging countries, such as South America or China, reducing the ability of many people to travel abroad in the short term. However, while India has many people living in poverty, the cohort of middle class is growing, and these are the people most likely to travel.

Figure 17: India's GDP per capita is growing faster than its population, which could drive more outbound travel



Source: IMF World Economic Outlook

We expect this market to have an increasing propensity to travel to New Zealand. Indian visitors stay a long time in New Zealand, on average for 50 days per trip in 2016. This is driven by a large number of education visitors, as is evident by the growing number of student visa

applications that have been approved by Immigration New Zealand. Stricter enforcement of student visas may decrease both educational visitors and the average length of stay, but Indian visitors on other classes of visa are predicted to more than make up for this in the medium to long term.

Indonesia

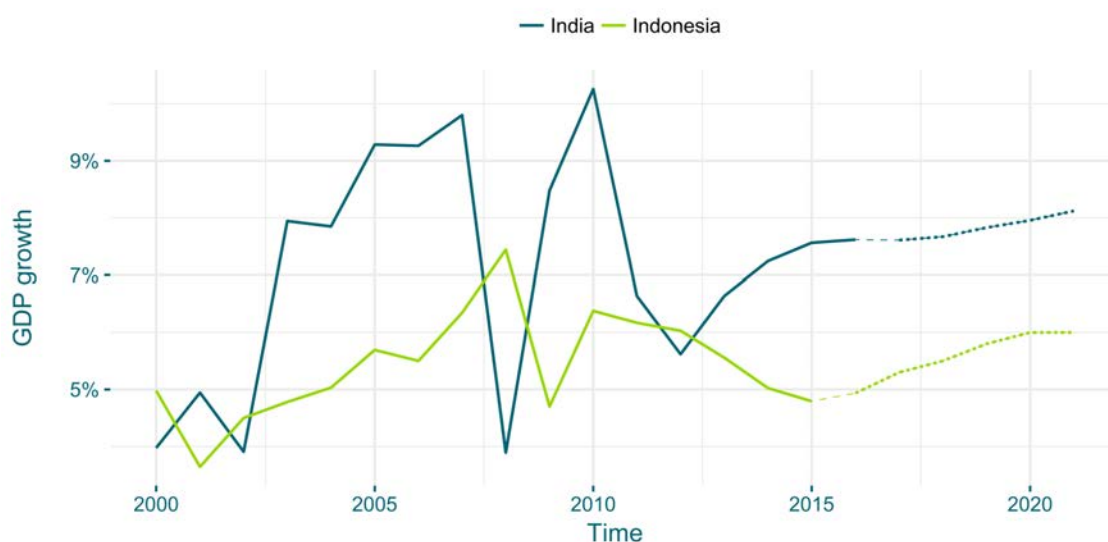
	2016 result	2023 forecast
Visitor arrivals (000s)	20	38 (up 9.8% p.a.)

Like India, Indonesia has a sizeable and growing population. Over time, Indonesia’s middle class will expand and, similar to elsewhere, look to take advantage of tourism opportunities.

Even without the advantage of direct flights linking Indonesia to New Zealand, visitor arrivals have surged in recent years, passing the level seen in the mid-1990s before the Asian financial crisis and Global Financial Crisis when visits plummeted. Although the aggregate arrivals are smaller than arrivals from other destinations, total visitor numbers have grown by 70 per cent in the last seven years.

The outlook for continued expansion looks positive. Indonesians are starting to travel abroad, know Australia well and are increasingly choosing New Zealand as a destination. Like visitors from India, the number of Indonesian visitors to New Zealand is predicted to experience robust growth over the coming years (see Figure 18).

Figure 18: GDP is expected to grow for both India and Indonesia



Source: World Economic Outlook, IMF

Singapore

	2016 result	2023 forecast
Visitor arrivals (000s)	57	84 (up 5.7% p.a.)

We include an arrival forecast for Singapore for the first time in the 2017-2023 forecasts.

Singapore has long been an important transfer stop connecting New Zealand to European, Middle East, and South East Asian markets. In recent years, strong economic growth, and newly added direct flights from Singapore to Wellington has seen Singapore in its own right become an important destination market to New Zealand. Visitor arrivals from Singapore increased 15.8 per cent in 2016, to 57,000 visitors.

Driven by existing direct connectivity, low airfare prices and their high personal income level, we forecast that arrivals from Singapore will grow at around 5.6 per cent a year, reaching over 80,000 in 2023. We are not able to produce spend forecasts for this market as the sample size is not sufficiently large in the source data from the International Visitor Survey.

North America

The US

	2016 result	2023 forecast
Visitor arrivals (000s)	292	440 (up 6.0% p.a.)
Visitor spend (\$m)	1,101	1,715 (up 6.5% p.a.)

The IMF has revised projected growth in the United States upwards, reflecting the assumed fiscal policy easing and an upturn in confidence, especially after the November elections. US economic growth is projected to improve in 2017 and hold steady onwards.

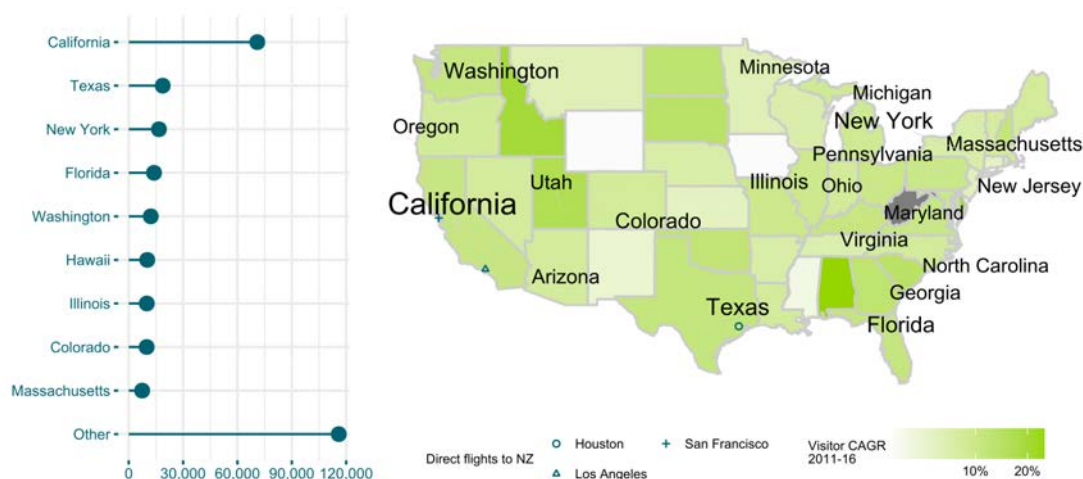
US households are in a much better position to spend. The US labour market has been improving with unemployment at 4.7 per cent in February 2017. Personal consumption expenditure continues to climb and the data shows that it is 5 per cent higher in January 2017 than a year ago. Lower oil prices and a stronger US dollar make domestic and international travel cheaper.

Growth in visitor arrivals is expected to be strong for the next couple of years due to the addition of new direct air routes, and upgraded air capacity. The improving economy and stronger US dollar is expected to boost spending of US visitors who come to New Zealand.

Marketing, airline economics and the capacity on key routes will also help determine how many US visitors will come to New Zealand. Figure 19 shows that in 2016, most US visitors to New Zealand came from California. Air New Zealand's new route to Houston from

December 2015 has opened up a direct connection between New Zealand and America’s south for the first time. As a result, Texas became the second largest state in terms of arrivals to New Zealand. The direct flight from Houston is also unlocking the potential for visitors from the East Coast.

Figure 19: Most US visitors to New Zealand came from California in 2016



Source: International Travel and Migration, Statistics New Zealand

Canada

	2016 result	2023 forecast
Visitor arrivals (000s)	60	73 (up 3.0% p.a.)

Economic growth is projected to increase to 2.3 per cent in 2018. As the contraction in the resources sector eases, activity in the rest of the economy is projected to strengthen. Non-energy exports should continue to benefit from stronger growth and exchange rate depreciation. Consumer price inflation should increase to around 2 per cent as the effect of falling energy prices fades and excess capacity is gradually eliminated.

Visitor growth from Canada was strong in 2016, at 12.5 per cent. Looking forward, we expect strong growth in visitor arrivals and spend from Canada in the short term, slowing in the longer term.

We are unable to produce spend forecasts for this market as the sample size is not sufficiently large in the source data from the International Visitor Survey.

Europe

According to the IMF, the euro area recovery is expected to proceed at a broadly similar pace in 2017–18 as in 2016. The modest recovery is projected to be supported by a mildly expansionary fiscal stance, accommodative financial conditions, a weaker euro, and beneficial spillovers from a likely US fiscal stimulus. However, political uncertainty as elections approach in several countries, coupled with uncertainty about the European Union’s future relationship with the United Kingdom, provides some risk to medium-term economic growth.

The UK

	2016 result	2023 forecast
Visitor arrivals (000)	221	268 (up 2.8% p.a.)
Visitor spend (\$m)	928	1,106 (up 2.5% p.a.)

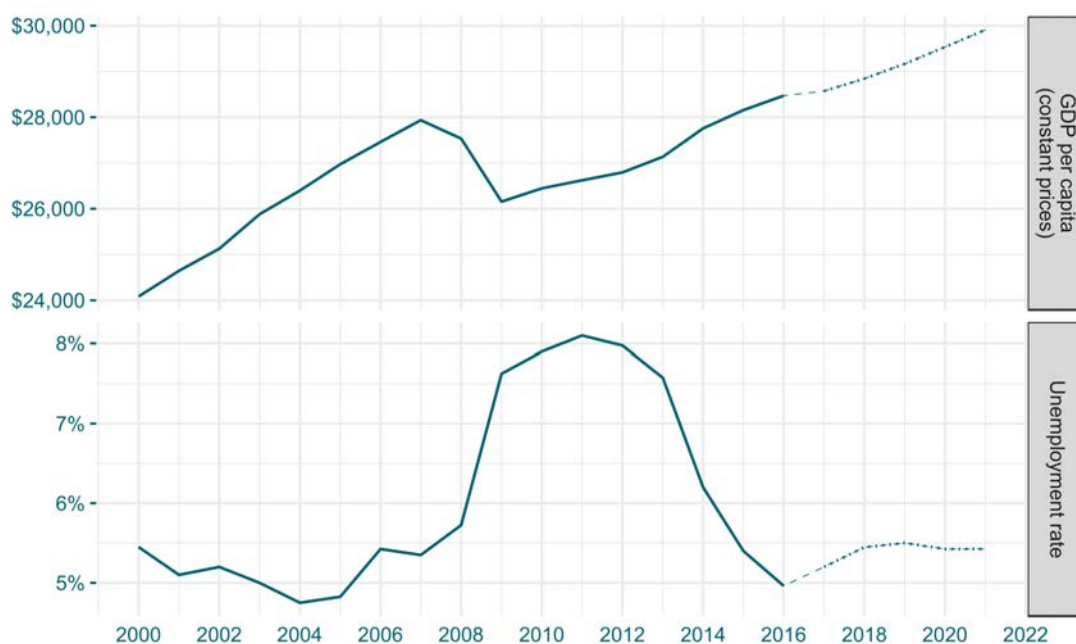
UK economic growth held up better than expected immediately following the mid-2016 Brexit vote, in particular consumer spending and services.

Inflation has been close to zero, allowing the Bank of England to maintain extremely low levels of interest rates. While this has helped consumers reduce debt after a prolonged recession, it has also kept the British pound low against the strong New Zealand dollar, which eroded UK visitors spend in New Zealand dollar terms. UK visitor growth was slower in 2016 than that of America and other European markets, up 8.4 per cent, but still strong historically, and following on from stronger visitor growth in 2015.

Households have benefited from cheaper energy prices – both oil and domestic – resulting in higher disposable incomes. Both GDP per capita and labour markets are improving, although long-term unemployment continues to weigh on the UK economy (see Figure 20). UK economic prospects after Brexit will depend on business reorienting efforts towards faster growing non-EU markets, notably in the tradable services area where the UK has relative strengths.

In the short term, the 2017 Lions Tour will boost visitor arrivals here, based on evidence from the previous tour in 2005. We expect moderate visitor and spend growth from this market. The competition from cheaper European destinations is expected to limit a strong upturn in UK visitor arrivals going forward.

Figure 20: GDP per capita and unemployment in the UK are improving



Source: IMF

Germany

	2016 result	2023 forecast
Visitor arrivals (000)	97	144 (up 5.8% p.a.)
Visitor spend (\$m)	576	873 (up 6.1% p.a.)

The profile of German visitors is materially different to most other visitors to New Zealand. Many Germans enter New Zealand on working holiday visas, stay for longer and spend less per day than other international visitors. The overall spend per visitor for this market is above average.

The number of working holiday visas means that labour market conditions in Germany could impact on the number of German visitor arrivals here in the medium term.

The German economy has had a stronger-than-expected performance during the latter part of 2016. Consequently, the growth projections for 2017 have also been revised upward, supporting the German growth outlook. Household consumption and residential investment are relatively strong and expected to pick up across the rest of 2017 and into 2018. These factors are likely to keep growth in German visitor arrivals strong for the next two to three years.

Forecast Technical Moderation Committee adjustments

As in previous years, this year as part of the forecast process a technical moderation committee met to discuss the forecasts and to recommend changes where required. The technical committee includes representation from Air New Zealand, Airways New Zealand, Auckland International Airport, Christchurch International Airport, Queenstown Airport, Tourism Holdings Ltd, Tourism Industry Aotearoa, Tourism New Zealand and Wellington International Airport and was chaired by MBIE.

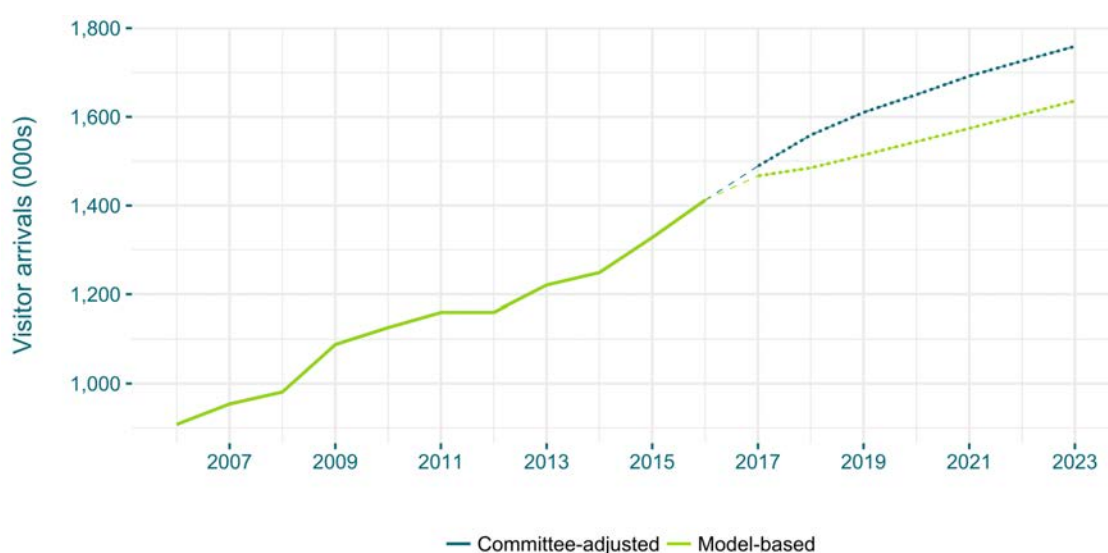
This year, the committee recommended three separate changes to the forecasts:

1. The rate of visitor growth for the Australian market be lifted to a 3.2 per cent compound annual growth rate.
2. The forecast visitor numbers from the UK in 2017 be increased to reflect additional visitors from the 2017 Lions Tour.
3. The rate of visitor growth for South Korea be lifted to a 2.8 per cent compound annual growth rate.

Australia

The technical moderation committee opted to increase the model's forecasts for growth from a compound annual growth rate of 2.1 per cent to 2023 to a growth rate of 3.2 per cent to 2023 (see Figure 48). This is more consistent with the planned increase in airline capacity between Australia and New Zealand in the next 18 months, and the ongoing recovery of the Australia economy.

Figure 21: Committee-adjusted and model-based visitor arrival forecasts for Australia

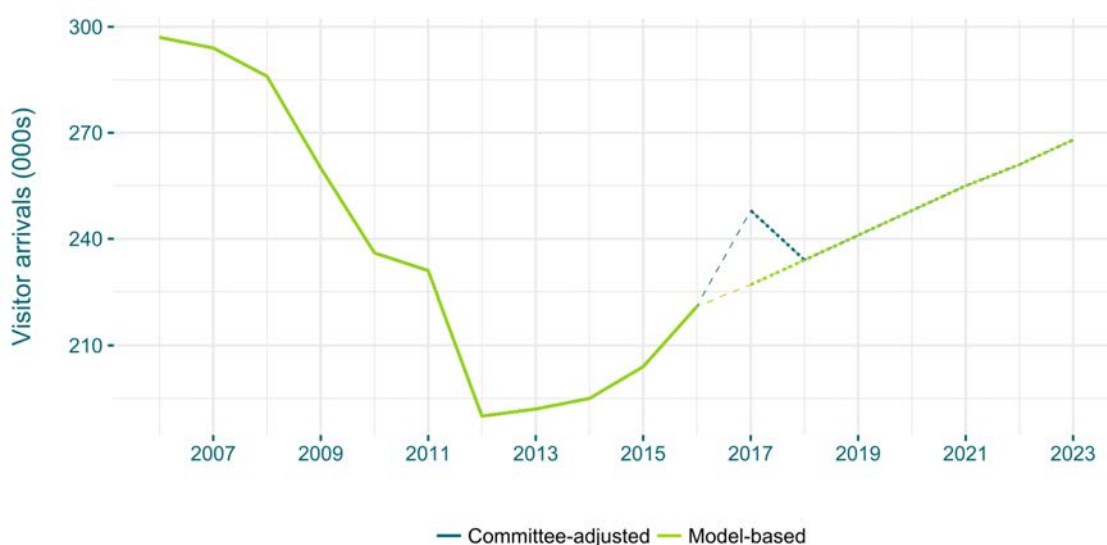


Forecasts	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual
Committee-adjusted	1,412	1,489	1,559	1,610	1,650	1,692	1,726	1,759	24.6%	3.2%
Model-based	1,412	1,467	1,485	1,514	1,544	1,574	1,605	1,636	15.9%	2.1%

The UK

The committee also adjusted up UK visitor numbers in 2017, due to the 2017 Lions Tour. The committee used the increased number in 2011 for the Rugby World Cup as a benchmark.

Figure 22: Committee-adjusted and model-based visitor arrival forecasts for the UK

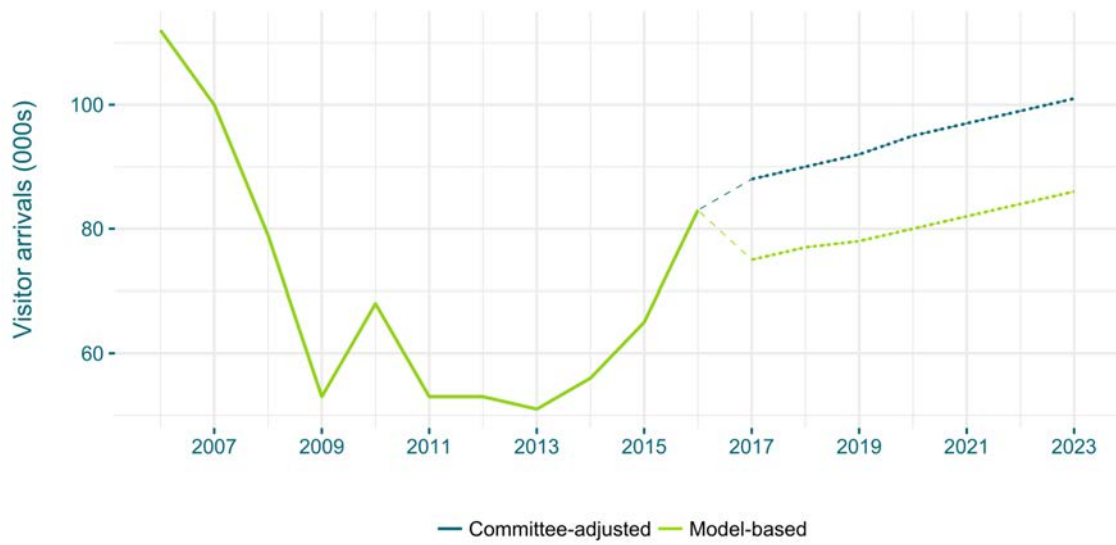


Forecasts	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual
Committee-adjusted	221	248	234	241	248	255	261	268	21.30%	2.80%
Model-based	221	227	234	241	248	255	261	268	21.30%	2.80%

South Korea

The committee opted to adjust for visitor arrival growth from South Korea from an annual growth rate of 0.5 per cent over the forecast period to 2.8 per cent. The committee formed the view that the original forecasts predicted via the model were too pessimistic, given the current momentum.

Figure 23: Committee-adjusted and model-based visitor arrival forecasts for South Korea



Forecasts	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual
Committee-adjusted	83	88	90	92	95	97	99	101	21.7%	2.8%
Model-based	83	75	77	78	80	82	84	86	3.6%	0.5%

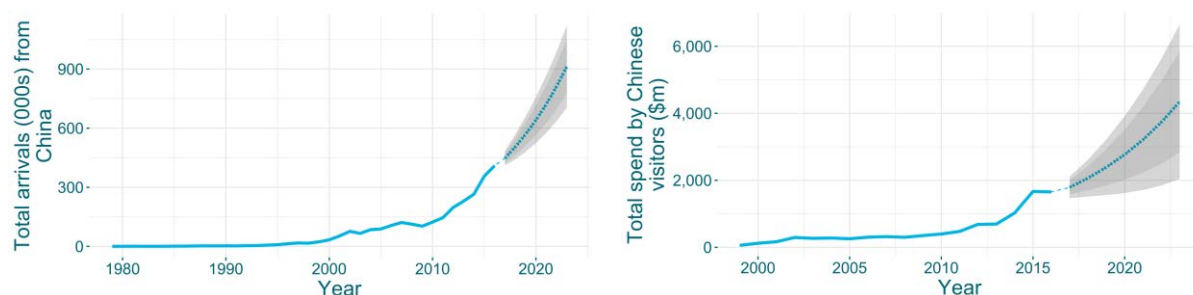
Uncertainty in the forecasts

This section shows some of the uncertainty behind the published forecast results.

Any forecast will involve uncertainty; MBIE’s tourism forecasts are no exception. The published results only show a set of point estimates, which can be thought of as weighted-average values of possible outcomes from our forecast models. There is a wide range of uncertainty for those point estimates. Countries that have relatively few visitors to New Zealand, or have volatile or unstable visitor growth patterns, have greater uncertainty around their forecasts, and so tend to have wider prediction intervals.

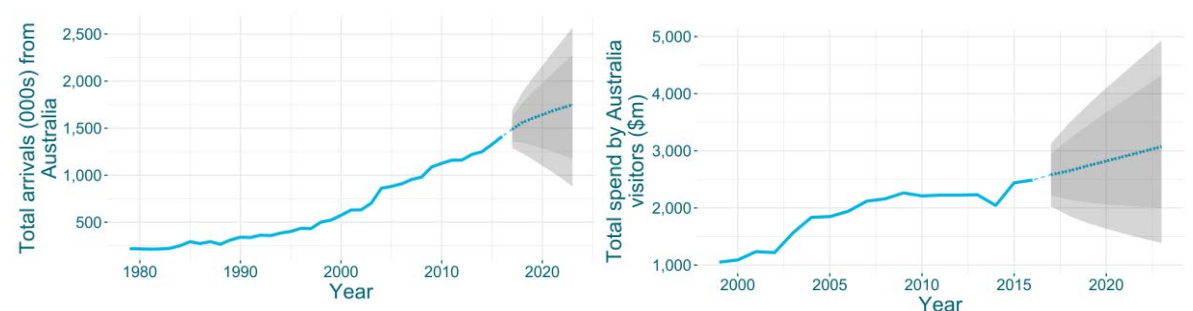
Figure 24 and Figure 25 illustrate the uncertainty in the forecasts. They display the prediction intervals at an 80 per cent (darker grey region) and 95 per cent (dark and light grey regions) confidence level respectively, for the total arrival and spend by both Chinese and Australian visitors. A 95 per cent confidence level would mean that there is a 95 per cent chance that a future value will fall in the grey area. For example, there is a 95 per cent chance that total spend by Chinese visitors in 2023 can be any number ranging between \$2.0 billion to \$6.0 billion.

Figure 24: Prediction intervals of total arrivals and spending of Chinese visitors



Source: Statistics New Zealand, MBIE

Figure 25: Prediction intervals of total arrivals and spending of Australian visitors



Source: Statistics New Zealand, MBIE

Performance of the 2016-2022 forecasts

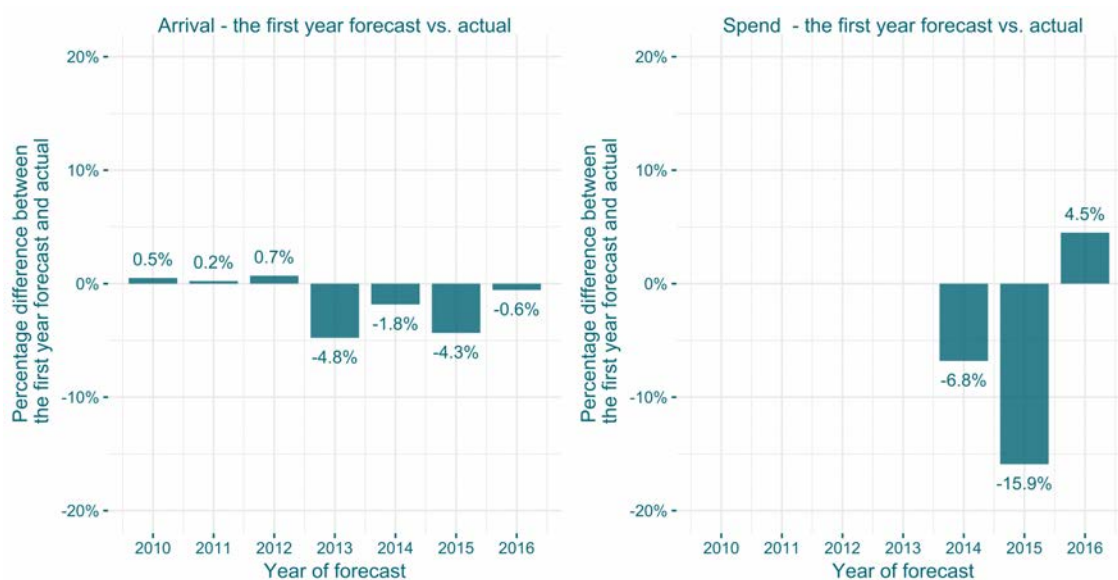
This section provides an overview of the performance of MBIE’s 2016-2022 tourism forecasts.

For the 2016 year from the 2016-2022 forecasts, total arrivals were under-forecast by 0.6 per cent, while spend was over-forecast by 4.5 per cent. This result was quite good compared to previous forecasts.

The greater divergence for spend highlights that spend is more difficult to forecast due to a greater number of confounding factors.

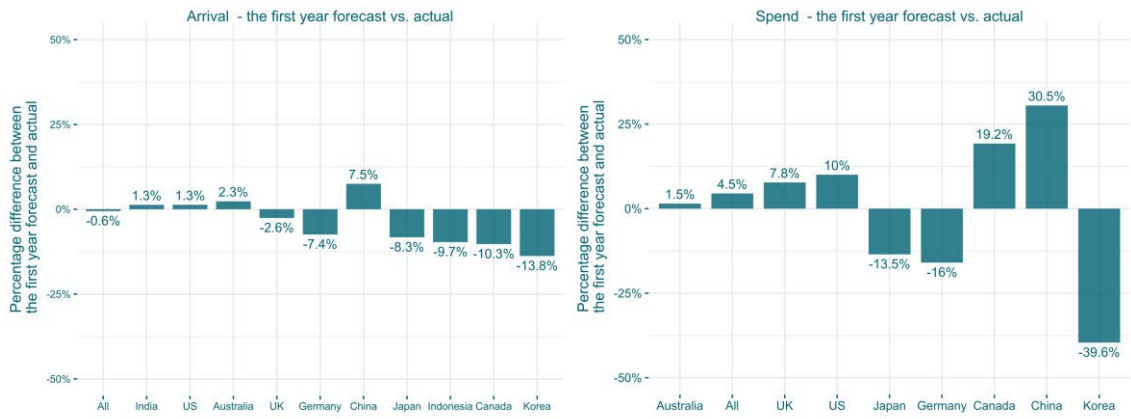
On a per-country basis, results were more varied. Smaller countries showed greater divergence from the forecasts, while more established countries were generally more accurate.

Figure 26: Forecast vs actual for the 2016 -2022 forecasts



Source: MBIE

Figure 27: Forecast vs actual for the 2016 -2022 forecasts by country



Source: MBIE

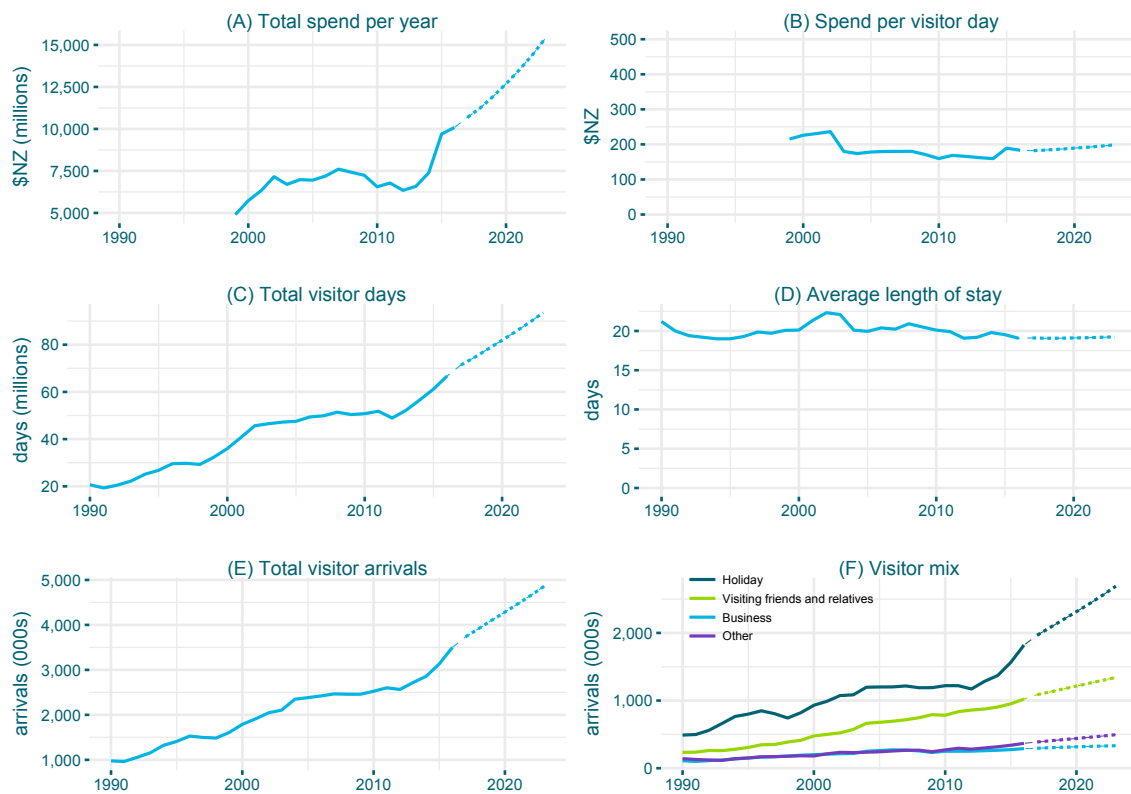
Appendix A: Forecast summaries by country

All markets



Summary	2016	2023	
Total spend (\$m) ¹	10,086	15,340	↑
Total visitors (000s) ²	3,500	4,861	↑
Total days (000s) ²	66,717	93,562	↑
Spend per day (\$) ³	183	199	↑
Avg length of stay (days) ²	19	19	→

Figure 1: Summary of forecasts: All



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁴
Total spend (\$m) ¹	10,086	10,685	11,248	11,936	12,685	13,486	14,365	15,340	52%	6.2%
Total visitors (000s) ²	3,500	3,734	3,917	4,103	4,284	4,471	4,661	4,861	39%	4.8%
Total days (000s) ²	66,717	71,384	74,664	78,276	81,880	85,592	89,448	93,562	40%	4.9%
Spend per day (\$) ³	183	182	184	186	189	192	195	199	9%	1.2%
Avg length of stay (days) ²	19	19	19	19	19	19	19	19	1%	0.1%

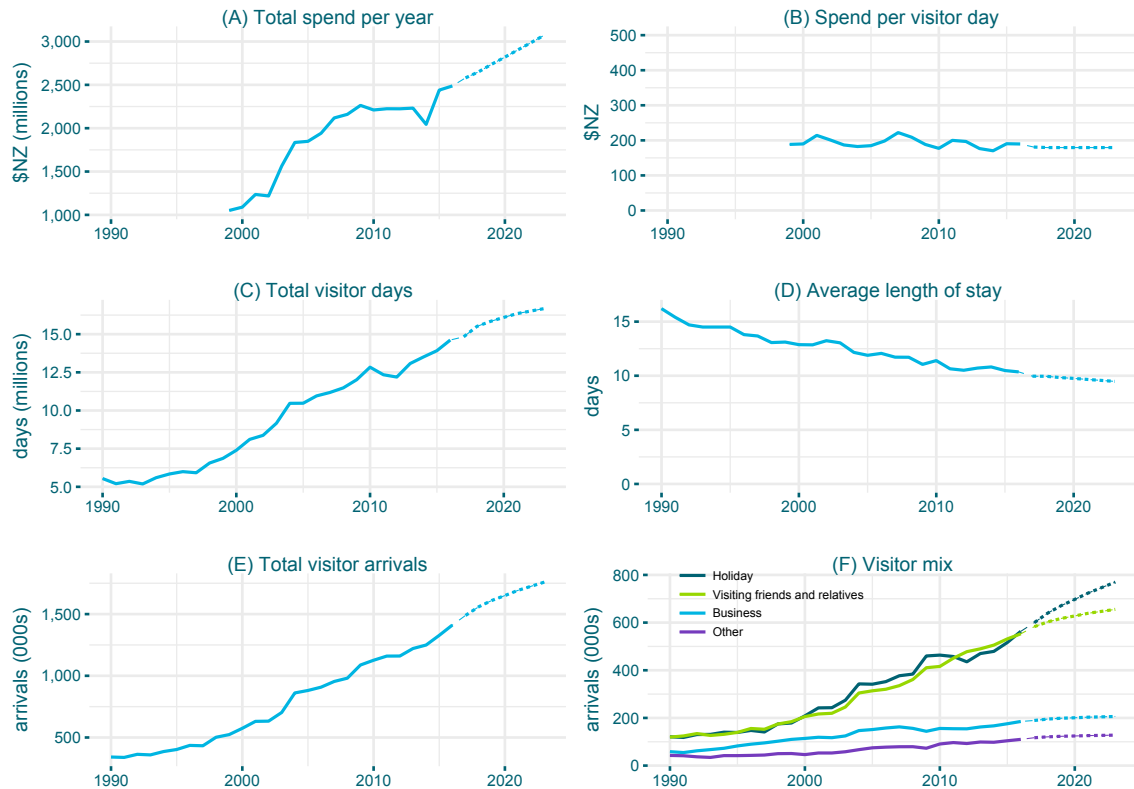
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. Compound annual growth rate (2016-2023).

Australia



Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	2,487	3,073	GDP per capita (PPP)	46,271
Total visitors (000s) ²	1,412	1,759	Population (millions)	24
Total days (000s) ²	14,616	16,672	Outbound departures (millions)	9
Spend per day (\$) ³	190	179	Outbound spend (USD mn)	26,325
Avg length of stay (days) ²	10	9		

Figure 2: Summary of forecasts: Australia



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁵
Total spend (\$m) ¹	2,487	2,580	2,651	2,739	2,820	2,905	2,988	3,073	24%	3.1%
Total visitors (000s) ²	1,412	1,489	1,559	1,610	1,650	1,692	1,726	1,759	25%	3.2%
Total days (000s) ²	14,616	14,828	15,511	15,836	16,098	16,348	16,513	16,672	14%	1.9%
Spend per day (\$) ³	190	181	179	179	179	179	179	179	-5%	-0.8%
Avg length of stay (days) ²	10	10	10	10	10	10	10	9	-8%	-1.3%

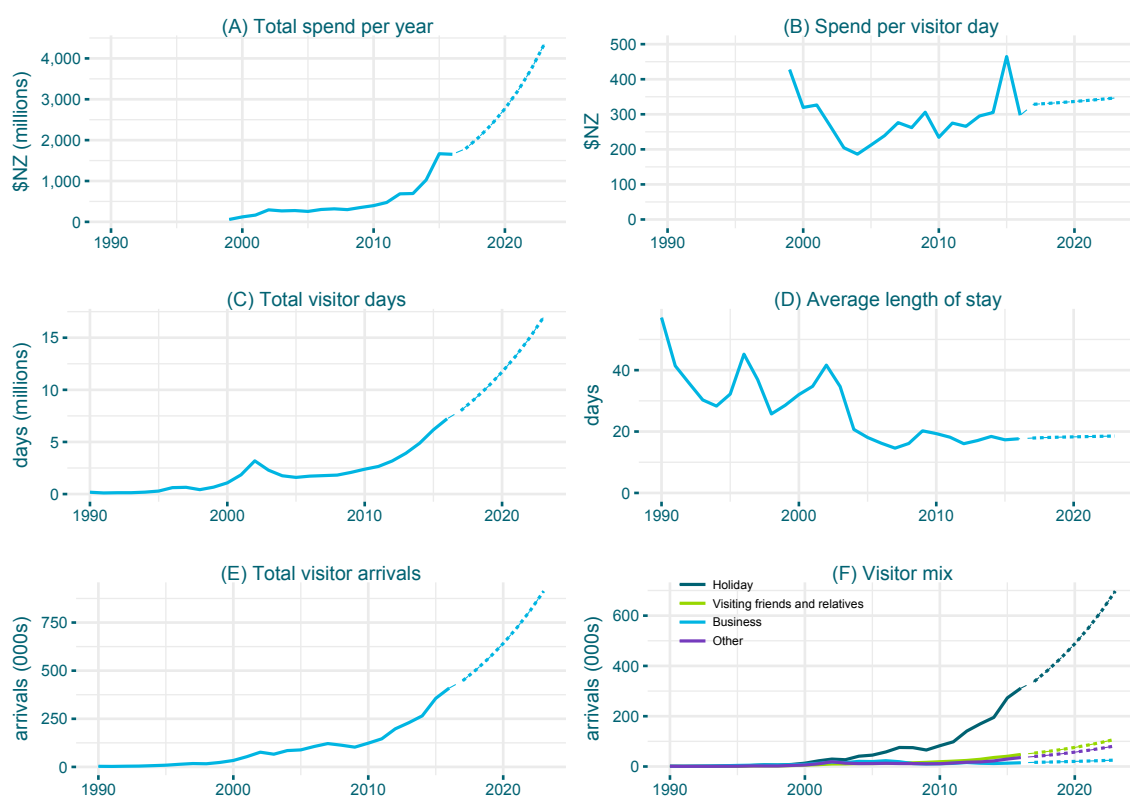
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

China

16%
Share of all
spend in NZ

Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	1,653	4,348	GDP per capita (PPP)	14,450
Total visitors (000s) ²	410	913	Population (millions)	1,371
Total days (000s) ²	7,225	16,925	Outbound departures (millions)	98
Spend per day (\$) ³	297	347	Outbound spend (USD mn)	164,859
Avg length of stay (days) ²	18	19		

Figure 3: Summary of forecasts: China



Year	Growth									
	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual ⁵
Total spend (\$m) ¹	1,653	1,790	2,067	2,390	2,768	3,211	3,733	4,348	163%	14.8%
Total visitors (000s) ²	410	448	505	569	641	722	812	913	123%	12.1%
Total days (000s) ²	7,225	8,004	9,117	10,344	11,713	13,249	14,977	16,925	134%	12.9%
Spend per day (\$) ³	297	329	331	334	337	340	343	347	17%	2.2%
Avg length of stay (days) ²	18	18	18	18	18	18	18	19	5%	0.7%

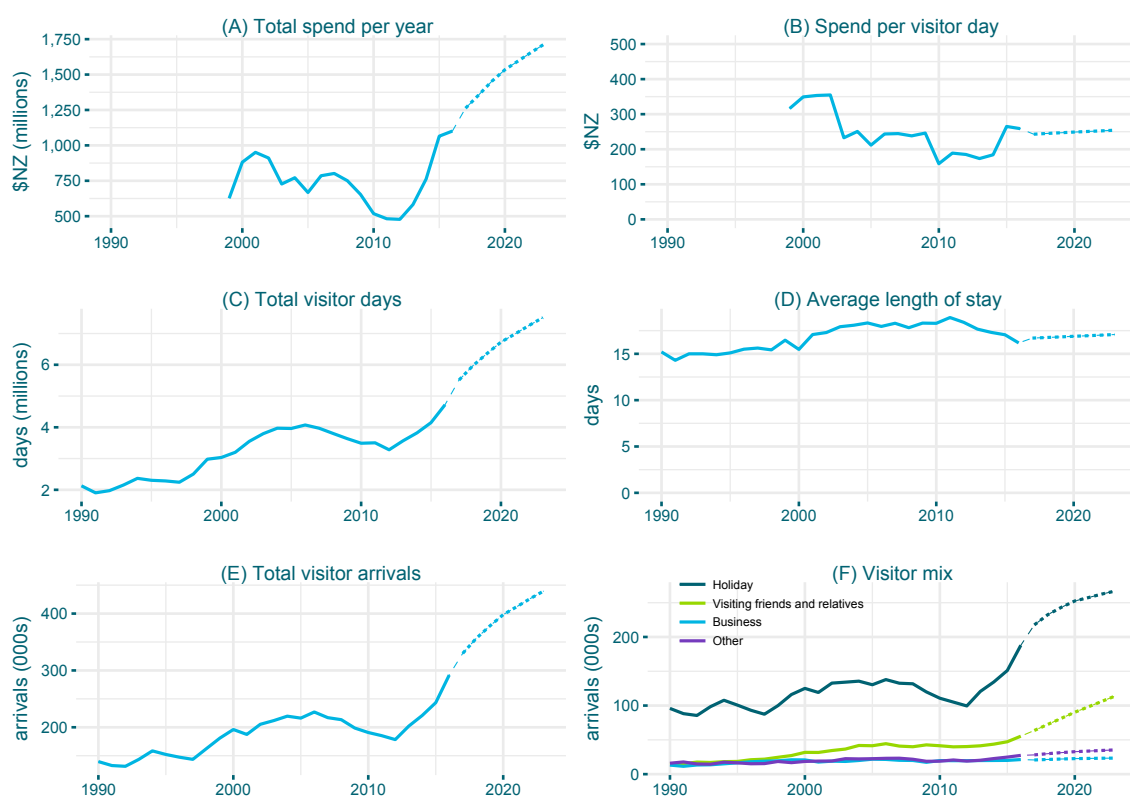
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

United States of America

11%
Share of all
spend in NZ

Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	1,101	1,715	GDP per capita (PPP)	56,116
Total visitors (000s) ²	292	440	Population (millions)	321
Total days (000s) ²	4,721	7,511	Outbound departures (millions)	68
Spend per day (\$) ³	259	254	Outbound spend (USD mn)	110,788
Avg length of stay (days) ²	16	17		

Figure 4: Summary of forecasts: US



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁵
Total spend (\$m) ¹	1,101	1,262	1,356	1,452	1,534	1,595	1,657	1,715	56%	6.5%
Total visitors (000s) ²	292	330	356	378	398	412	426	440	51%	6%
Total days (000s) ²	4,721	5,511	5,972	6,359	6,725	6,984	7,255	7,511	59%	6.9%
Spend per day (\$) ³	259	243	245	247	249	251	252	254	-2%	-0.2%
Avg length of stay (days) ²	16	17	17	17	17	17	17	17	6%	0.8%

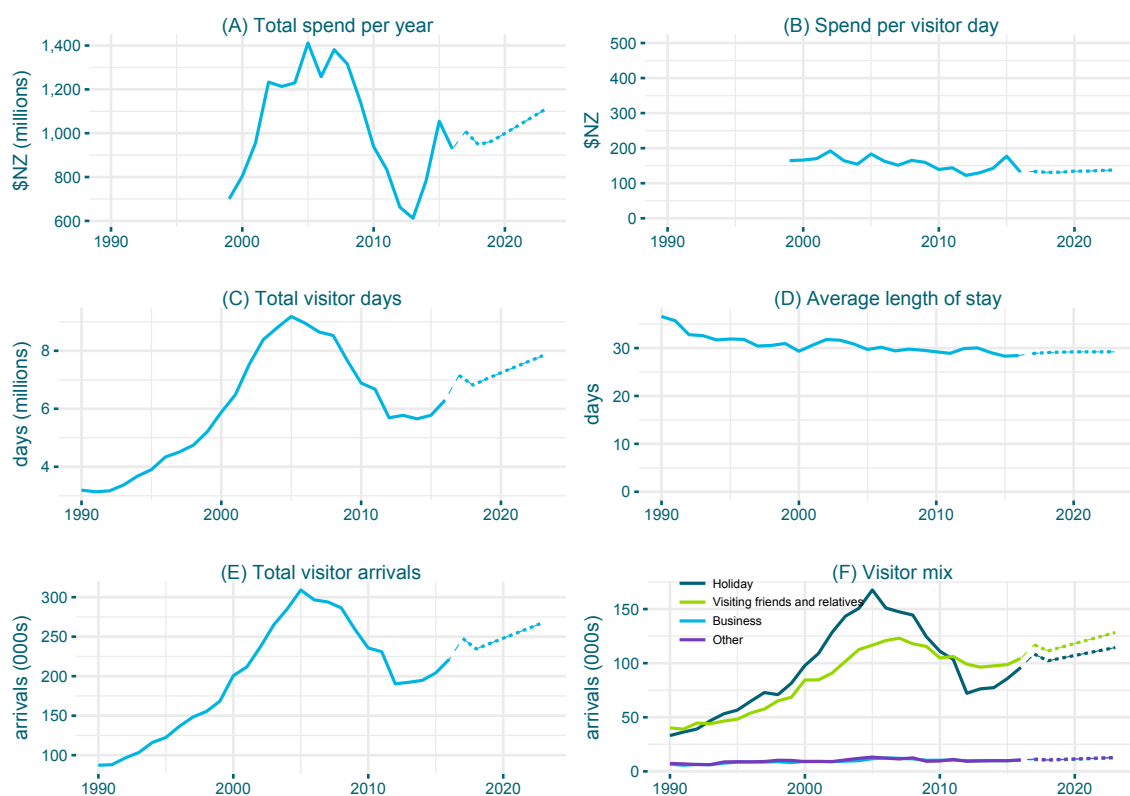
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

United Kingdom



Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	928	1,106	GDP per capita (PPP)	41,756
Total visitors (000s) ²	221	268	Population (millions)	65
Total days (000s) ²	6,297	7,834	Outbound departures (millions)	60
Spend per day (\$) ³	132	138	Outbound spend (USD mn)	63,424
Avg length of stay (days) ²	28	29		

Figure 5: Summary of forecasts: UK



Year	Growth									
	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual ⁵
Total spend (\$m) ¹	928	1,008	947	964	999	1,035	1,070	1,106	19%	2.5%
Total visitors (000s) ²	221	248	234	241	248	255	261	268	21%	2.8%
Total days (000s) ²	6,297	7,152	6,816	7,036	7,240	7,440	7,637	7,834	24%	3.2%
Spend per day (\$) ³	132	134	131	132	134	135	136	138	4%	0.6%
Avg length of stay (days) ²	28	29	29	29	29	29	29	29	3%	0.4%

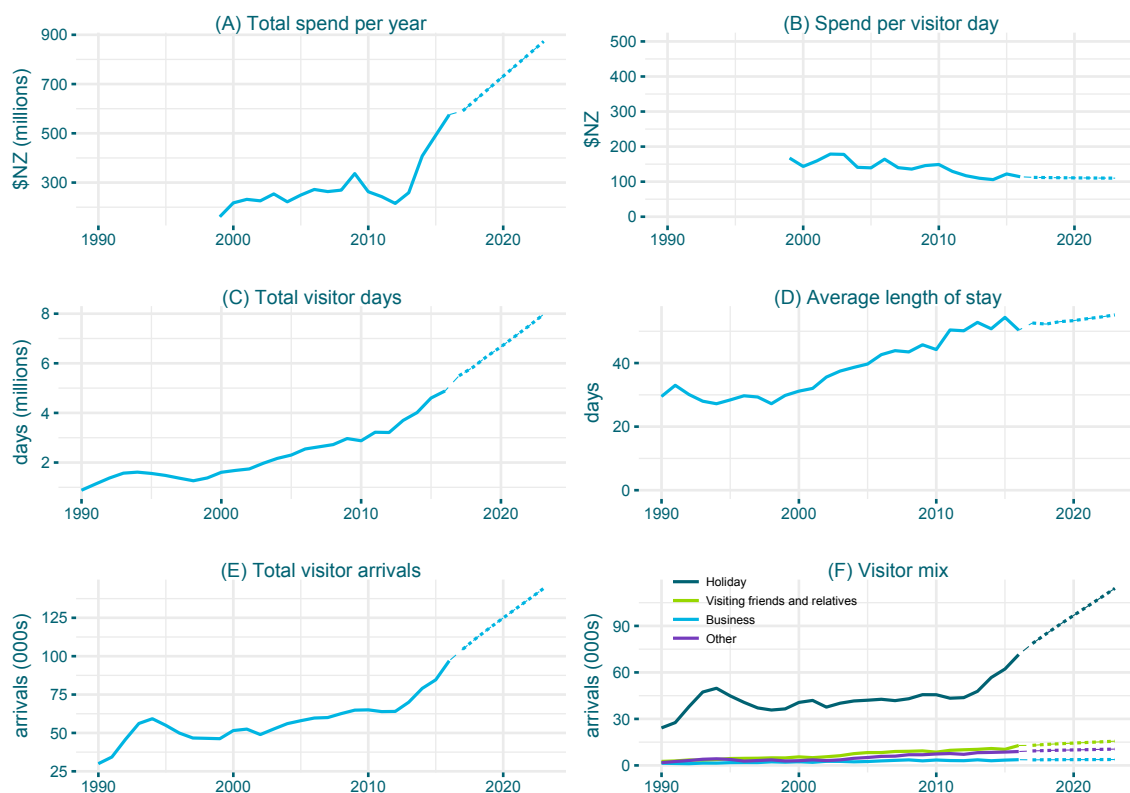
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

Germany



Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	576	873	GDP per capita (PPP)	48,042
Total visitors (000s) ²	97	144	Population (millions)	81
Total days (000s) ²	4,884	7,951	Outbound departures (millions) ⁶	83
Spend per day (\$) ³	114	110	Outbound spend (USD mn)	93,252
Avg length of stay (days) ²	50	55		

Figure 6: Summary of forecasts: Germany



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁵
Total spend (\$m) ¹	576	591	638	685	732	779	826	873	52%	6.1%
Total visitors (000s) ²	97	105	112	118	125	131	138	144	49%	5.8%
Total days (000s) ²	4,884	5,496	5,841	6,281	6,664	7,086	7,506	7,951	63%	7.2%
Spend per day (\$) ³	114	112	112	111	111	111	110	110	-4%	-0.5%
Avg length of stay (days) ²	50	53	52	53	53	54	55	55	10%	1.3%

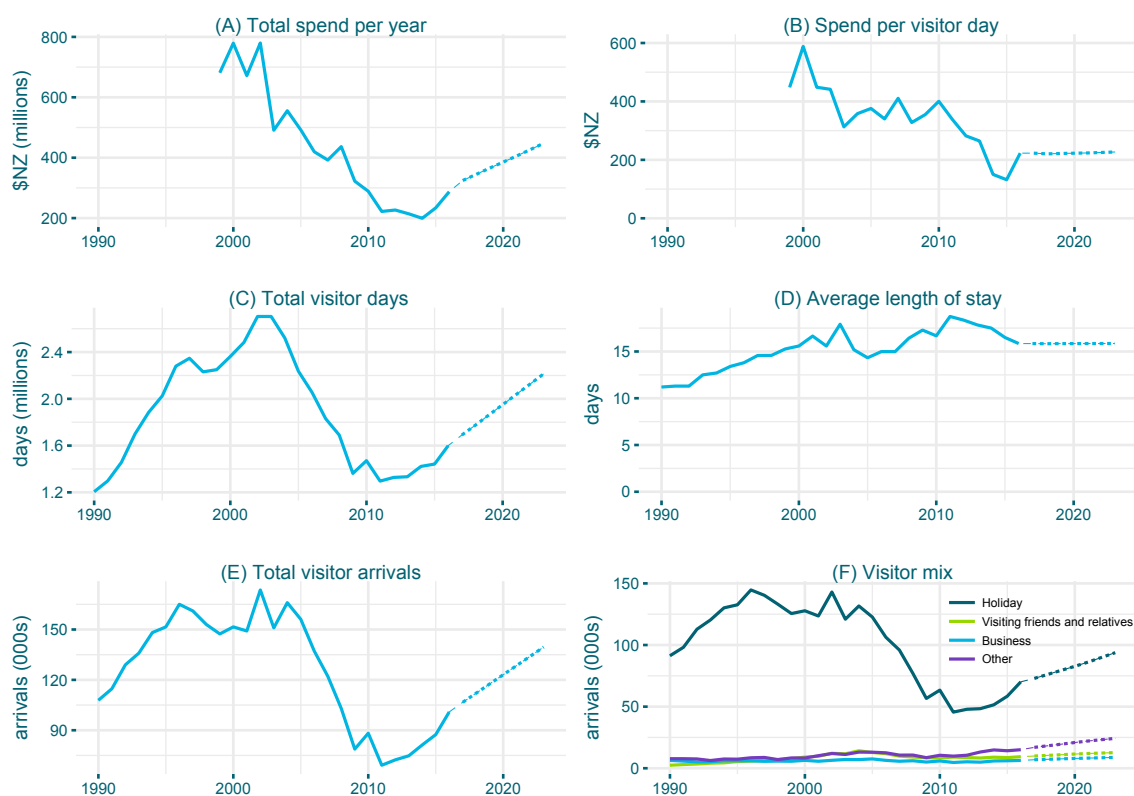
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023); 6. 2009 value.

Japan



Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	287	448	GDP per capita (PPP)	40,763
Total visitors (000s) ²	101	140	Population (millions)	127
Total days (000s) ²	1,599	2,213	Outbound departures (millions)	17
Spend per day (\$) ³	223	227	Outbound spend (USD mn)	19,311
Avg length of stay (days) ²	16	16		

Figure 7: Summary of forecasts: Japan



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁵
Total spend (\$m) ¹	287	324	345	366	385	406	427	448	56%	6.5%
Total visitors (000s) ²	101	107	112	118	123	129	134	140	38%	4.7%
Total days (000s) ²	1,599	1,690	1,775	1,863	1,950	2,037	2,125	2,213	38%	4.7%
Spend per day (\$) ³	223	223	220	222	223	224	225	227	2%	0.2%
Avg length of stay (days) ²	16	16	16	16	16	16	16	16	0%	0%

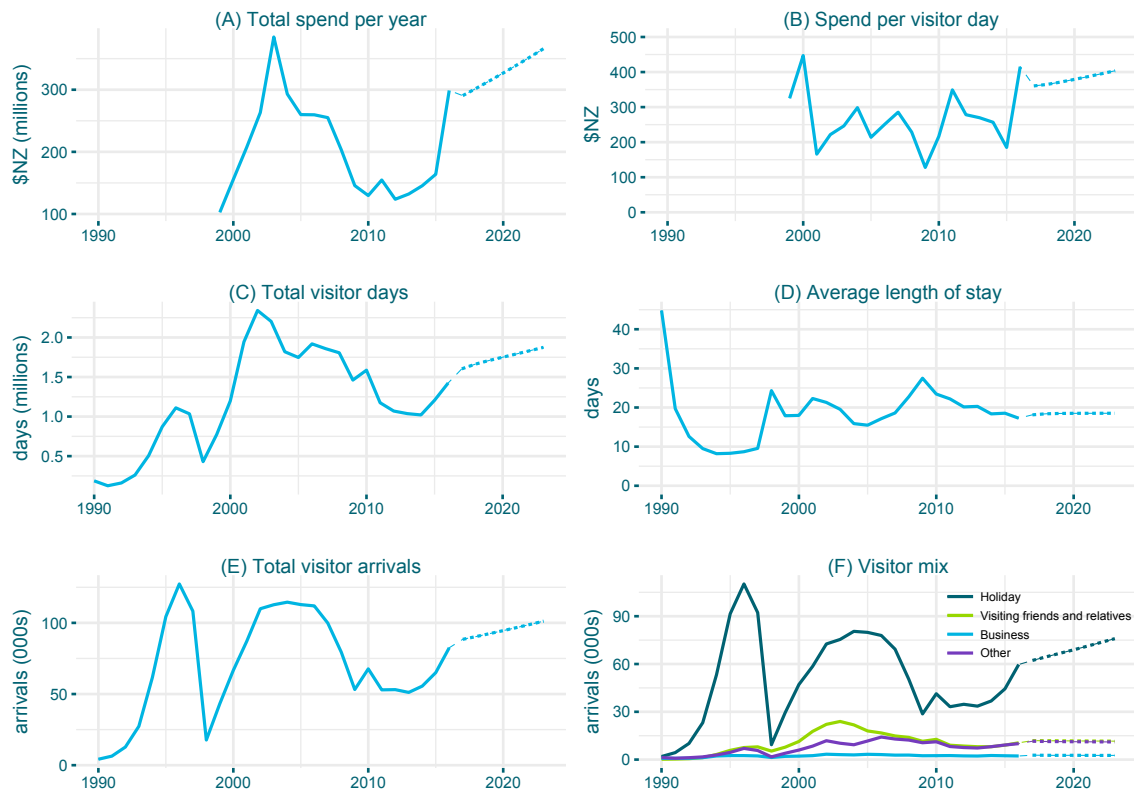
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

South Korea



Summary	2016	2023	Visitor market characteristics ⁴	
Total spend (\$m) ¹	299	366	GDP per capita (PPP)	34,647
Total visitors (000s) ²	83	101	Population (millions)	51
Total days (000s) ²	1,425	1,875	Outbound departures (millions)	16
Spend per day (\$) ³	415	404	Outbound spend (USD mn)	23,465
Avg length of stay (days) ²	17	19		

Figure 8: Summary of forecasts: Korea



Year	Growth									
	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual ⁵
Total spend (\$m) ¹	299	290	302	314	327	340	353	366	23%	2.9%
Total visitors (000s) ²	83	88	90	92	95	97	99	101	23%	3%
Total days (000s) ²	1,425	1,603	1,663	1,709	1,750	1,791	1,833	1,875	32%	4%
Spend per day (\$) ³	415	360	365	372	379	387	395	404	-3%	-0.4%
Avg length of stay (days) ²	17	18	18	18	19	19	19	19	7%	1%

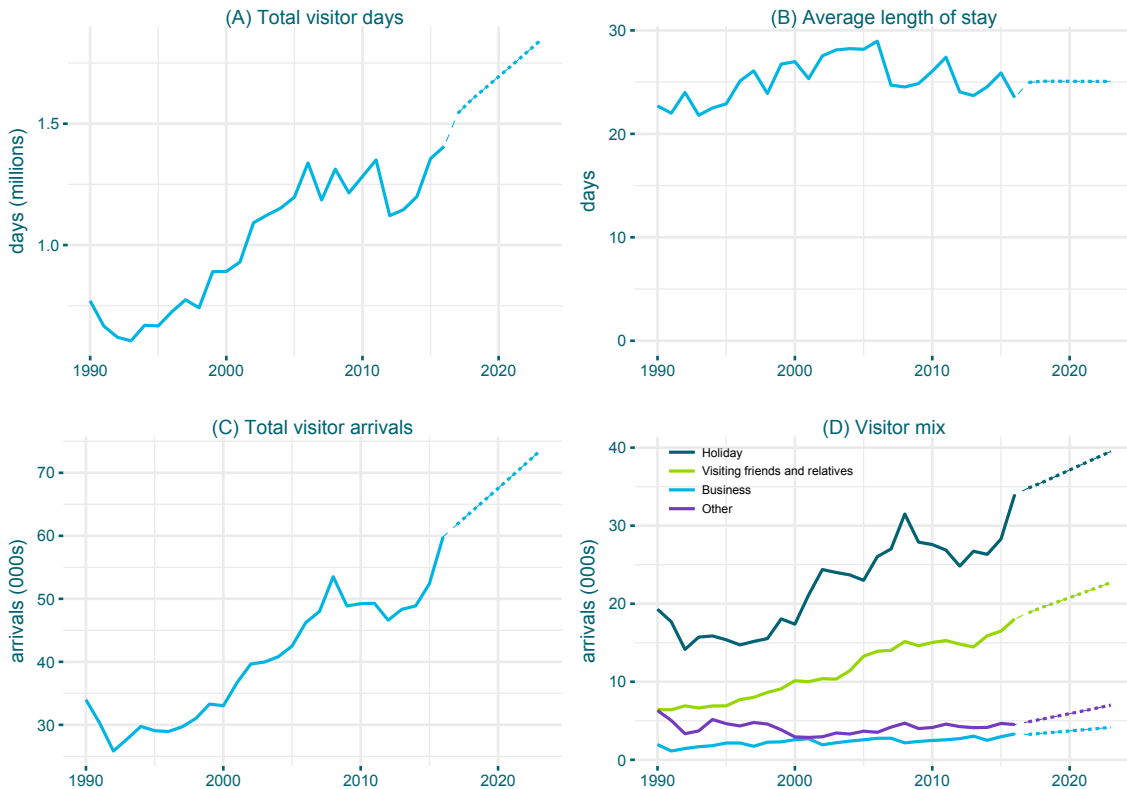
1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. World Bank data (<http://data.worldbank.org/indicator>); 5. Compound annual growth rate (2016-2023).

Canada



Summary	2016	2023	Visitor market characteristics ²	
Total visitors (000s) ¹	60	73	GDP per capita (PPP)	44,197
Total days (000s) ¹	1,407	1,840	Population (millions)	36
Avg length of stay (days)	24	25	Outbound departures (millions)	34
			Outbound spend (USD mn)	33,817

Figure 9: Summary of forecasts: Canada



Year	2016	2017	2018	2019	2020	2021	2022	2023	GROWTH	
									Total	Annual ³
Total visitors (000s) ¹	60	62	64	66	68	69	71	73	23%	3%
Total days (000s) ¹	1,407	1,543	1,598	1,646	1,694	1,742	1,791	1,840	31%	3.9%
Avg length of stay (days) ¹	24	25	25	25	25	25	25	25	7%	0.9%

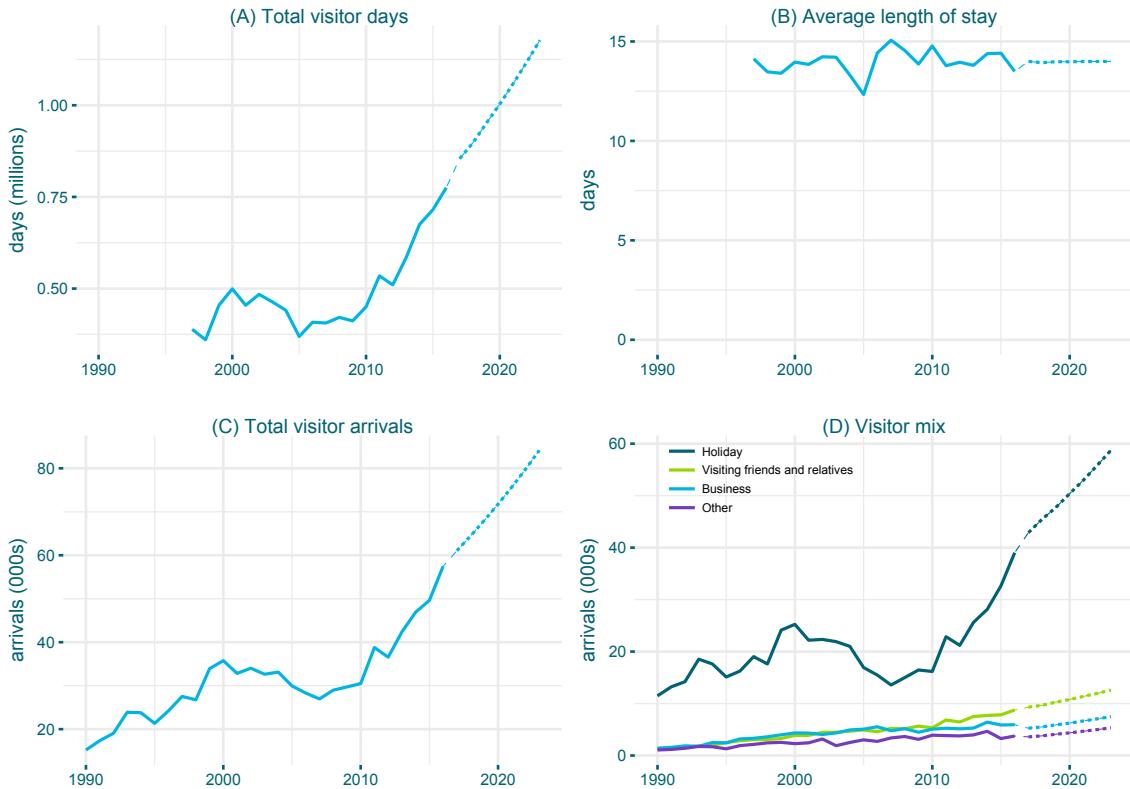
1. International Travel & Migration data, Statistics New Zealand; 2. World Bank data (<http://data.worldbank.org/indicator>); 3. Compound annual growth rate (2016-2023); 4. For Canada, Singapore, India, and Inonesia, we are not able to produce spend forecasts as the sample size is not sufficiently large in the source data from the International Visitor Survey; 5. Please note that March 2017 year visitor arrivals were 63,200, slightly lower than the calendar year 2017 forecast of 62,000. The March results came too late to be included, so short-term results may be slightly higher than those forecast.

Singapore



Summary	2016	2023		Visitor market characteristics ²	
Total visitors (000s) ¹	57	84	↑	GDP per capita (PPP)	85,382
Total days (000s) ¹	775	1,178	↑	Population (millions)	6
Avg length of stay (days)	13	14	↑	Outbound departures (millions)	9
				Outbound spend (USD mn)	23,931

Figure 10: Summary of forecasts: Singapore



Year										GROWTH	
	2016	2017	2018	2019	2020	2021	2022	2023	Total	Annual ³	
Total visitors (000s) ¹	57	61	64	68	72	76	80	84	46%	5.6%	
Total days (000s) ¹	775	854	898	951	1,003	1,059	1,117	1,178	52%	6.2%	
Avg length of stay (days) ¹	13	14	14	14	14	14	14	14	4%	0.5%	

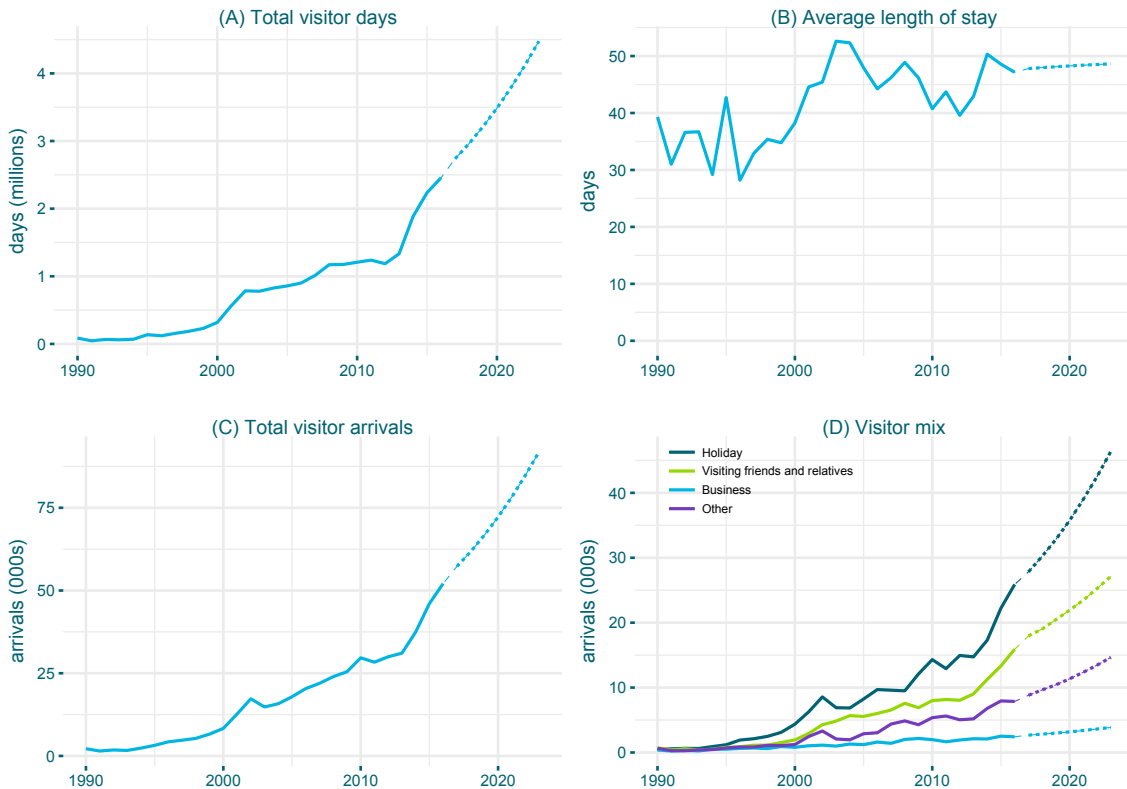
1. International Travel & Migration data, Statistics New Zealand; 2. World Bank data (<http://data.worldbank.org/indicator>); 3. Compound annual growth rate (2016-2023); 4. For Canada, Singapore, India, and Indonesia, we are not able to produce spend forecasts as the sample size is not sufficiently large in the source data from the International Visitor Survey.

India



Summary	2016	2023	Visitor market characteristics ²	
Total visitors (000s) ¹	52	92	GDP per capita (PPP)	6,101
Total days (000s) ¹	2,456	4,476	Population (millions)	1,311
Avg length of stay (days)	47	49	Outbound departures (millions)	18
			Outbound spend (USD mn)	14,596

Figure 11: Summary of forecasts: India



Year	2016	2017	2018	2019	2020	2021	2022	2023	GROWTH	
									Total	Annual ³
Total visitors (000s) ¹	52	57	62	67	72	78	85	92	77%	8.5%
Total days (000s) ¹	2,456	2,737	2,961	3,211	3,485	3,788	4,118	4,476	82%	9%
Avg length of stay (days) ¹	47	48	48	48	48	48	49	49	3%	0.4%

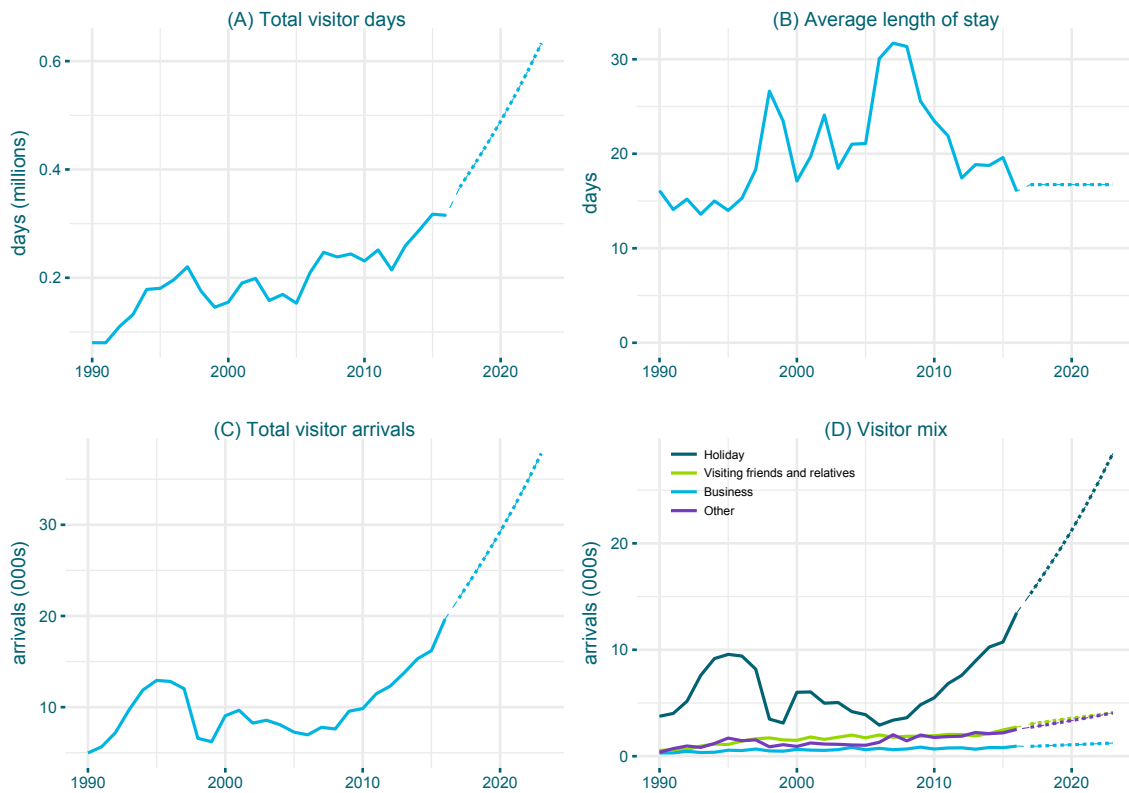
1. International Travel & Migration data, Statistics New Zealand; 2. World Bank data (<http://data.worldbank.org/indicator>); 3. Compound annual growth rate (2016-2023); 4. For Canada, Singapore, India, and Indonesia, we are not able to produce spend forecasts as the sample size is not sufficiently large in the source data from the International Visitor Survey.

Indonesia



Summary	2016	2023		Visitor market characteristics ²	
Total visitors (000s) ¹	20	38	↑	GDP per capita (PPP)	11,058
Total days (000s) ¹	315	633	↑	Population (millions)	258
Avg length of stay (days)	16	17	↑	Outbound departures (millions)	9
				Outbound spend (USD mn)	7,682

Figure 12: Summary of forecasts: Indonesia



Year	2016	2017	2018	2019	2020	2021	2022	2023	GROWTH	
									Total	Annual ³
Total visitors (000s) ¹	20	22	24	27	29	32	35	38	92%	9.8%
Total days (000s) ¹	315	367	406	446	489	534	582	633	101%	10.5%
Avg length of stay (days) ¹	16	17	17	17	17	17	17	17	4%	0.6%

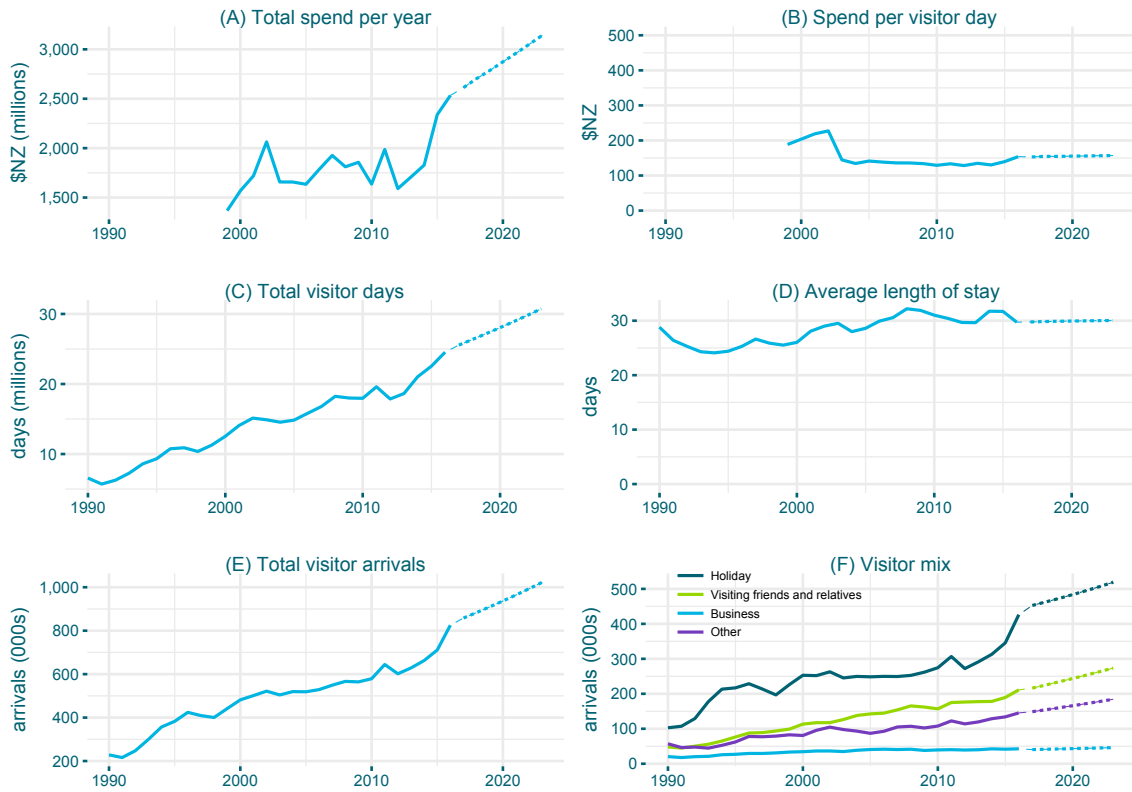
1. International Travel & Migration data, Statistics New Zealand; 2. World Bank data (<http://data.worldbank.org/indicator>); 3. Compound annual growth rate (2016-2023); 4. For Canada, Singapore, India, and Indonesia, we are not able to produce spend forecasts as the sample size is not sufficiently large in the source data from the International Visitor Survey.

Other

25%
Share of all
spend in NZ

Summary	2016	2023	
Total spend (\$m) ¹	2,533	3,142	↑
Total visitors (000s) ²	825	1,023	↑
Total days (000s) ²	24,544	30,741	↑
Spend per day (\$)³	154	157	↑
Avg length of stay (days)²	30	30	→

Figure 13: Summary of forecasts: Other



Year	2016	2017	2018	2019	2020	2021	2022	2023	Growth	
									Total	Annual ⁴
Total spend (\$m) ¹	2,533	2,613	2,704	2,786	2,874	2,960	3,051	3,142	24%	3.1%
Total visitors (000s) ²	825	858	884	910	937	965	993	1,023	24%	3.1%
Total days (000s) ²	24,544	25,556	26,371	27,202	28,045	28,915	29,812	30,741	25%	3.3%
Spend per day (\$)³	154	153	155	155	155	156	156	157	2%	0.3%
Avg length of stay (days)²	30	30	30	30	30	30	30	30	1%	0.2%

1. International Visitor Survey, MBIE; 2. International Travel & Migration data, Statistics New Zealand; 3. Derived from the International Visitor Survey; 4. Compound annual growth rate (2016-2023).

