Forecast of International Visitors/$ Returning YE May 2022-2025

TECNZ's arrival and visitor spend forecasts for 30 countries based on research and assumptions noted below. The forecasts form a roadmap for NZ's international tourism recovery on a market basis and are based on no self-isolation requirement for visitors.

Assumptions:

- Airline connectivity, capacity seats and IATA forecasts
- NZ Airport SABRE bookings
- Demand from offshore tour wholesalers/agents
- Slow visitor visa processing times, losing business
- WHV holders return to NZ
- China market airline re-connectivity could take time
- Russia-Ukraine War and Europe energy crisis
- Displaced visitor flow from Europe to NZ
- FIFA Women's World Cup games Feb, Jul-Aug 2023
- Sail GP Mar 2023
- Return of cruise by Oct 2022 (turnaround pax)
- Economic recovery from source markets
- Geo-political/economic status in source markets e.g. worker shortage and wage rates
- All NZ border travel restrictions lifted by Oct 22

Visitor Market Return:

- Australia from 13 April 2022
- USA/Canada from July 2022
- UK/Europe from Oct 2022
- Asia from Oct 2022
- China from Oct 2023

NZ visitor season starts 1 Oct 2022. All countries can return from 31 July 2022.

Spreadsheets showing return on a per country basis over 4 years are available on our website or contact our office.

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Source: TECNZ updated 22 November 2022

Summary: Forecast of International Visitors/$ Returning YE May 2022-2025

Key message

The return of pre-COVID visitor numbers and spend will be a phased process over a period of 3 years.
By YE May 2025 TECNZ forecasts 98.7% of annual arrivals will return.

Arrivals (000's):

- By YE May 2023 annual number of arrivals 2,134,802 = 63.1%
- By YE May 2024 annual number of arrivals 2,900,284 = 85.9%
- By YE May 2025 annual number of arrivals 3,283,746= 98.7%

Visitor Spend ($M):

- By YE May 2023 annual visitor spend $7,799   billion = 57%
- By YE May 2024 annual visitor spend $11,300 billion = 83%
- By YE May 2025 annual visitor spend $13,298 billion = 97%

TECNZ has forecast annual visitor arrivals and visitor spend on the key 30 visitor markets Stats NZ used to report on pre-COVID March 2020.

Source: TECNZ updated 22 November 2022

NZ International Tourism Recovery Roadmap (No. Arrivals 000's and % Recovery)

Market recovery based on Australia from April 2022, USA from July 2022, UK/Europe from Oct 2022, Asia from Oct 2022 and China from Oct 2023
By YE May 2025, total annual visitor arrivals 98.7% of pre-COVID arrivals Mar 2020 (3,283,746). Long-haul markets travel from 1 Oct for a NZ season

	Pre COVID	May 22	May 23	May 24	May 25
Australia	1,491,252	(15%) 223,688	(80%) 1,193,002	(95%) 1,416,689	(100%) 1,491,252
USA	347,629	(0%) 0	(80%) 278,103	(100%) 347,629	(115%) 399,773
China	328,145	(0%) 0	(0%) 0	(50%) 164,073	(85%) 295,331
UK	223,102	(0%) 0	(75%) 167,327	(90%) 200,792	(100%) 223,102
Germany	91,067	(0%) 0	(70%) 63,747	(90%) 81,960	(100%) 91,067
Japan	90,326	(0%) 0	(30%) 27,098	(75%) 67,745	(95%) 85,810
South Korea	81,660	(0%) 0	(30%) 24,498	(75%) 61,245	(95%) 73,494
India	67,395	(0%) 0	(40%) 26,958	(70%) 47,177	(85%) 57,286
Singapore	60,932	(0%) 0	(80%) 48,746	(100%) 60,932	(100%) 60,932
Taiwan	49,179	(0%) 0	(40%) 19,672	(70%) 34,425	(90%) 44,261
Hong Kong	51,807	(0%) 0	(40%) 20,723	(70%) 36,265	(90%) 46,626
France	39,507	(0%) 0	(75%) 29,630	(90%) 35,556	(100%) 39,507
The Netherlands	29,384	(0%) 0	(75%) 22.038	(85%) 24,976	(100%) 29,384

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Source: TECNZ Forecast based on Stats NZ IVA Top 30 Countries Annual International Arrivals as at YE March 2020, updated 22 November 2022

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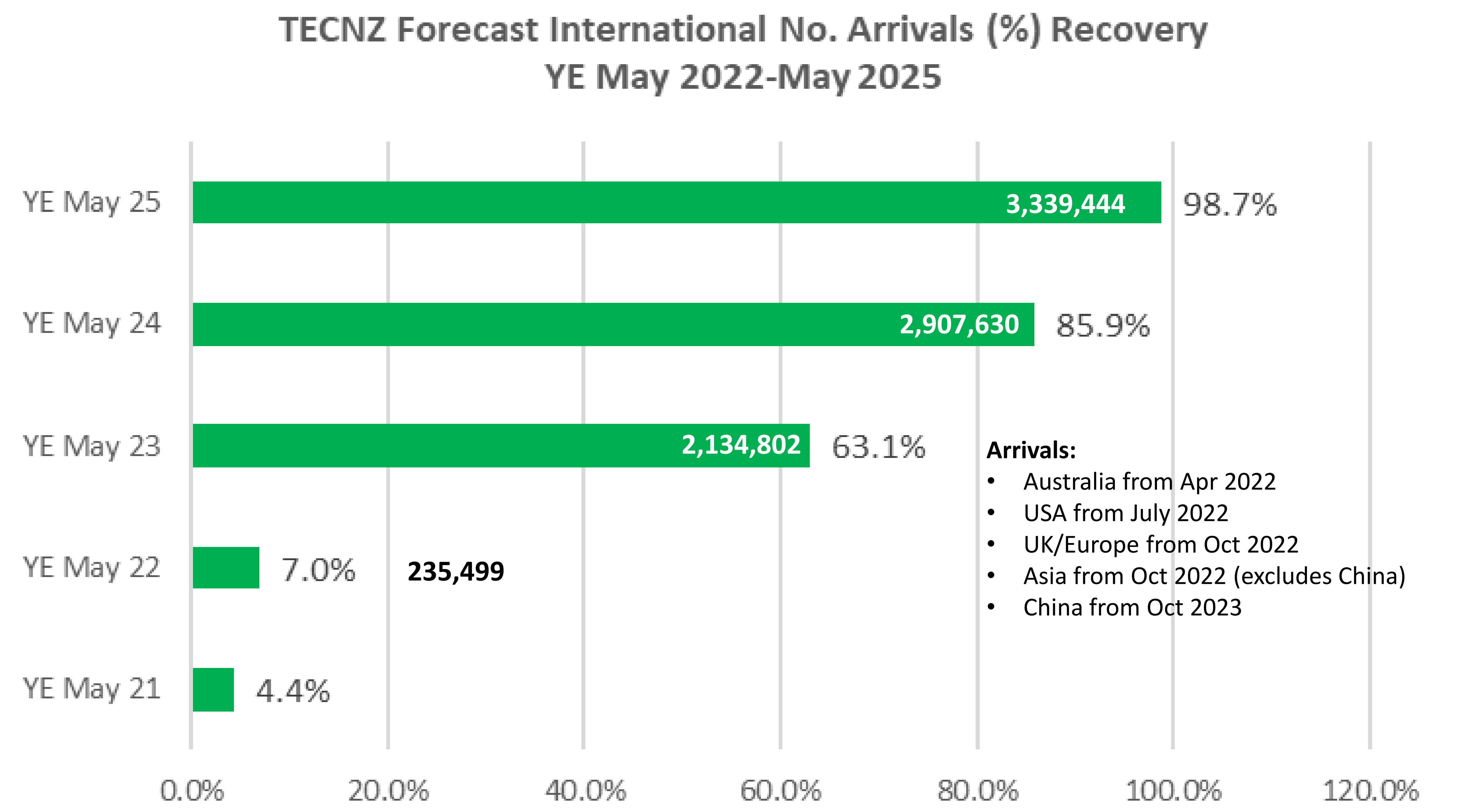
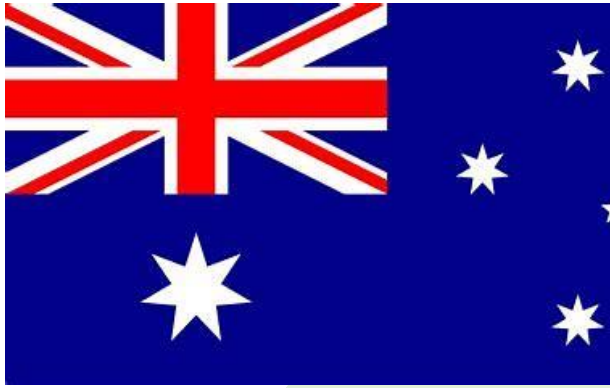


Source: TECNZ Forecast based on Stats NZ IVA Top 30 Countries Annual International Arrivals as at YE March 2020, updated 22 November 2022

Market / Country Intel

- Australia
- USA
- UK
- Germany
- Europe
- Asia
- China

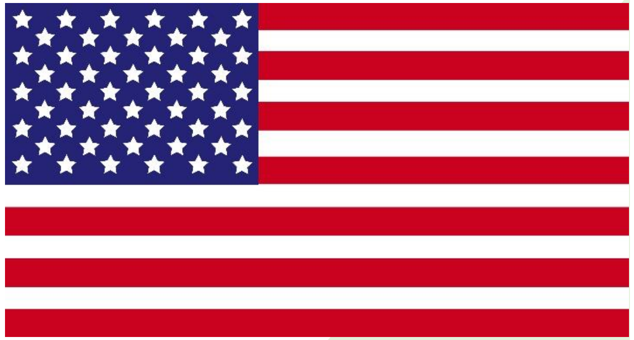
Australia



- 1.5m Australian visitors (40% total visitor arrivals)
- Australian visitors spent $2.7b – an average of $2,044 per person
- 47% Australians book through an agent
- 42% are holiday makers
- 40% are VFR (visiting friends and family)
- 38% holiday visitors stayed between 8-14 days
- 30% visitors arrived in summer and 22% in winter
- 24% visitors are aged 25-34 years old
- Visitors from NSW (38%), Queensland (25%) and Victoria (23%)
- Will be a star performer in the 22-23 season
- Steady group tour bookings Sep-Dec 2022 + FIT
- Good group tour bookings late Jan-Apr 2023
- Rental vehicles will be in demand

Source: Black font, Tourism NZ pre-COVID insights website, https://www.tourismnewzealand.com/insights/ Green font TECNZ ITOs

United States of America (USA)



- 370,000 American visitors arrived
- United States visitors $1.53b – an average of $4,707 per person
- 69% visitors here on holiday, 19% visitors came to visit friends or family
- 40% visitors arrived in summer and 14% in winter
- 36% visitors stayed between 8-14 days
- 68% of American travellers book their travel through an agent
- Target market segments in the USA are the Experienced Connectors, Vibrant Adventurers and the Fun-Loving Trail Blazers
- US will be a star performer in 22-23 season. New airline connections since Covid-19 include New York, Chicago, Houston (Texas) plus Los Angeles
- Very strong bookings exceeding 2019 levels. South America just beginning to pick up
- Interest in chauffeured services as well as quality rentals

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United Kingdom

- 230,000 UK visitors arrived
- United Kingdom visitors spent $1.03b – an average of $4,800 per person
- 44% visitors came to visit friends or family
- 48% visitors here on holiday
- 50% visitors arrived in summer, 21% spring, 21% autumn and 10% in winter
- 36% visitors stayed more than 22 days
- 75% of all UK visitors into New Zealand booked through a traditional travel agent, about 5% booked via an OTA (online travel agent), and about 20% booked airline direct online
- Half of British visitors to New Zealand have been to New Zealand at least once before
- Good level of bookings coming through after a slow start
- Strong rebound from VFR market. Group tour bookings just beginning to come through
- Some hesitancy about arrival testing and travel restrictions still being in place

Germany

- 98,000 Germans arrived
- German visitors spent $573m – an average of $6,093 per person
- 78% visitors here on holiday, 14% VFR
- 52% visitors are aged under 35
- 29% visitors arrive in the South Island
- 48% visitors arrived in summer, 26% spring, 20% autumn and 8% in winter
- 54% visitors stayed more than 22 days
- 80% of all German visitors into New Zealand book through a traditional travel agent, about 5% book via an online travel agent, and about 15% book direct online
- Light on group tour bookings, steady FIT bookings
- German market not convinced the government is ready due to existing travel restrictions
- Good bookings from 18-25 year old market

Europe

- Bookings from Southern Europe and the Netherlands markets beginning to come through
- More FIT bookings than group tours at this stage.
- Larger tour operators are not yet showing a lot of interest so far with both FIT and groups. Expect to pick-up Q1 of 2023
- 76% bookings from Netherlands through agents
- 72% bookings from France through agents
- 73% bookings from Switzerland through agents
- Flight availability with number of seats and pricing may be a barrier to a positive rebound
- The war in Russia and Ukraine impacting travel patterns. High oil and gas prices and inflation across Europe could impact travel
- Any further unrest in Europe could throw a spanner in the works

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Asia: Japan, Singapore, Hong Kong

- Japanese visitors spent $277m – an average of $3,253 per person
- 71% visitors here on holiday, 12% VFR
- 26% visitors are aged over 55
- 34% visitors arrived in summer, 21% spring, 24% autumn and 18% in winter
- 49% visitors stayed 4-7 days
- Bookings are quiet from SE Asian countries (Singapore, Malaysia, Indonesia, Hong Kong) despite these countries having visa waive status from 2 May.
- Singapore will come back first. Japan, Taiwan and South Korea bookings are slow.
- A small level of group tour series enquiries. Some pick-up expected for November travel. There will be a stronger rebound from SE Asia, Japan, South Korea and Taiwan in Q1 of 2023.
- India market enquiry is growing. Concerns about visitor visa processing times.

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China

- 407,000 Chinese visitors arrived
- Chinese spent $1.7b – an average of $4,605 per person
- 79% visitors here on holiday, 13% VFR
- 33% stayed between 8-14 days
- 32% arrived in summer, 23% spring, 27% autumn and 16% in winter
- 40% of Chinese visitors were 50+ in age
- 35% holiday arrivals come to NZ via Australia
- Market not expected to travel to early-mid 2023
- ITOs confirm there is a positive level of enquiry. However, until the Chinese government removes the outbound travel ban for its citizens, no travel to NZ will materialize.
- Chinese airlines have not put NZ on schedules yet