

# Tourism

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## WHAT THIS IS ABOUT

Tourists are an important source of demand for local businesses. They spend over \$5 billion a year in New Zealand in retail stores, restaurants, cafes, hotels, on rental cars, and so on.<sup>47</sup> Much of that spending is in the main cities where virtually all tourists enter and exit the regions.

The number of short-term visitor arrivals in New Zealand and the number of bed nights purchased by tourists (both domestic and foreign) indicate the growth in a significant component of domestic economic activity. The bed nights purchased data is from the Statistics New Zealand Accommodation Survey.

## WHAT DID WE FIND?

Over the year ended March 2003, the eight cities accounted for 36% of total guest nights purchased, up from 33% in 1998. Tourism activity in the cities has grown at 8% per annum between 1998 and 2003, compared to 5% per annum in the rest of New Zealand.

The hub status of Auckland International Airport has helped boost guest nights in Auckland and North Shore by 10% per annum and 12% per annum respectively between 1998 and 2003. Also, a steady migration of businesses to the Auckland region has boosted business tourism to that region.

Over the year ended March 2003, the difference between growth in accommodation purchased in cities (8%) and in the rest of New Zealand (2%) has widened. Rationalisation of airline services after the United States terrorist attacks in 2001 and higher fuel prices saw flights to non-Auckland airports reduced. Also, Auckland's hosting of the America's Cup in 2002-03 boosted tourism, in part at the expense of other parts of New Zealand. An exception to this was Dunedin where additional international flights from Dunedin International Airport to Australia have resulted in a 33% increase in international visitor arrivals.

NUMBER OF GUEST NIGHTS PURCHASED (YEARS ENDED MARCH 1998 TO 2003)				
	1998	2000	2002	2003
North Shore	207,043	243,307	274,071	361,152
Waitakere	99,633	93,791	63,576	55,285
Auckland	2,357,564	2,935,272	3,413,808	3,730,557
Manukau	502,271	543,156	614,930	682,607
Hamilton	322,108	376,430	437,971	481,322
Wellington	992,903	1,196,322	1,338,988	1,419,508
Christchurch	2,104,536	2,346,626	2,707,869	2,872,639
Dunedin	573,319	628,528	741,833	777,468
Total eight cities	7,159,377	8,363,432	9,593,046	10,380,538
Rest of NZ	14,759,159	16,012,789	18,305,541	18,595,331
Total NZ	21,918,536	24,376,221	27,898,587	28,975,869

Data source: Statistics New Zealand Accommodation Survey.

<sup>47</sup> Statistics New Zealand; National accounts, private final consumption expenditure by non-residents in New Zealand; includes spending by foreign students studying in New Zealand.