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Media Release

Tourism still steady in January

[BNZ Capital-Business NZ Performance of Services Index \(PSI\) for January 2009](#)

Tourism businesses surveyed as part of the BNZ Capital-Business NZ Performance of Services (PSI) Index continued to report reasonably steady results for the January period.

Of the 23 tourism businesses surveyed, 10 (43%) reported that their main activity was positive while 13 (57%) reported a negative trading environment.

Tourism Industry Association Chief Executive Tim Cossar says good weather and steady domestic tourism helped many tourism operators in January but some operators are still reporting that the state of the economy and slowing visitor numbers are impacting their businesses.

Today's results are an indication that there is still a lot more work to be done to return tourism to the strong growth that has been typical of the sector for the past two decades. Returning tourism to growth is an opportunity, not only for those in the tourism industry but for all New Zealanders," Mr Cossar says.

"With one in ten New Zealanders (181,200 jobs) employed either directly or indirectly in tourism, our industry is one of New Zealand's largest employers. Keeping the tourism industry strong, keeps New Zealanders in jobs and that's one of points we'll be making strongly when we attend Prime Minister and Tourism Minister John Key's Job Summit later this month," Mr Cossar says.

As one of New Zealand's single largest export sectors tourism can be a significant part of the answer to not only keeping New Zealand afloat in turbulent economic times, but seeing the country emerge stronger than before. Tourism is a huge driver for New Zealand's economy and it's an industry that will turn around reasonably fast - if we do things right."

"We need to think pragmatically about what we can do here and now to improve the outcomes for tourism businesses and their employees over the next 12-18 months. The tax breaks outlined in the government's small business relief package are a good start but other options such as increased investment in international and domestic marketing, improving bank credit options and government job retention incentives are also worthy of consideration," Mr Cossar says.

“Our industry will need to work harder than ever this year to meet the challenges of the current economic environment. International arrivals are expected to be down by a total of 5-10% in the next 2-3 months. We look forward to some positive outcomes from the Job Summit,” Mr Cossar says.

- Tourism contributes close to 10% of gross domestic product (GDP) for New Zealand
- Tourism directly and indirectly employs nearly one in ten New Zealanders.
- Tourism in New Zealand is a \$50 million per day industry. Tourism delivers \$24 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$26 million in economic activity every day.
- Total tourism expenditure reached \$20.1 billion for the year ended March 2007. International visitor expenditure accounted for \$8.8 billion or 18.3% of New Zealand’s foreign exchange earnings.
- Visit www.tianz.org.nz for more information

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