

Media Statement

Tourism Industry Adjusting to Market Demand

Thursday 16 April 2009 – For immediate release

A survey of tourism operators shows that the industry is adjusting well to expected conditions over the next three months.

The Tourism Industry Monitor looked back at performance over the past three months, as well as expectations for the three months ahead.

Ray Salter, Ministry of Tourism General Manager, said that operators expected a soft operating environment for the three months to June 2009 and that firms are adapting and planning for these conditions.

“Businesses are taking a moderate and realistic view on short-term prospects. While trading is more difficult, with demand down, the situation is not as bad as expected. In addition, the expectations have not worsened since the previous monitor.”

Across all businesses, expectations are for a 7.5% fall in visitor demand in the three months to June. However, the spread is not even, with small (-3.4%) and medium sized businesses (-3.6%) expecting to do better than larger tourism businesses (-9.4%).

Tourism Industry Association Chief Executive Tim Cossar says that findings reinforce the fact that the industry is adaptable and able to adjust itself to ride through slower trading periods.

Mr Cossar added that New Zealand is still a compelling destination and when the pick up comes people will still want to travel here. Focusing marketing efforts on Australia and the domestic market will buffer against the softening long-haul market in the short term.

New Zealand Hotel Council Chair, Jennie Langley, said that hoteliers had faced challenging times before and that the situation was an opportunity to come out stronger at the other end.

“A good strategy is for hotels to add value to offerings, and focus on quality. When the recovery happens hotels need to be in a strong position to move ahead and rebuild profitability.”

Mr Salter added that performance over the next 12 months remains difficult to predict and that the Ministry would be closely monitoring sector performance. He also said that in June the Ministry’s annual tourism forecasts would be released and that they

would seek to provide a clearer outlook of tourism demand, to assist in sector planning.

The Tourism Industry Monitor is an industry wide initiative. It is designed to provide the industry with monthly information on the performance of the tourism sector, including the short-term outlook. It is led by the Ministry of Tourism, the Tourism Industry Association, Tourism New Zealand and the New Zealand Hotel Council.

For a copy of the Tourism Industry Monitor visit www.tourismresearch.govt.nz/tim.

For further information, please contact:

Bruce Bassett – Research Manager, Ministry of Tourism – 021 609 674

Sue Allen – Corporate Communications, Tourism New Zealand – 04 462 8024

Sarah Berry – Manager Strategic Communications & Policy, Tourism Industry Association – 0272 465 650

Jennie Langley – Chair, New Zealand Hotel Council - 021 730 387

ENDS