

## Media Statement

# Tourism Performance In Line with Expectations

**Friday 13 March 2009 – For immediate release**

A new survey initiated by the tourism industry is helping to measure the impact of the global financial crisis on tourism firms.

One thousand tourism operators, ranging from the small to New Zealand's largest companies, completed the online survey. The survey 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 the survey was a way to take the heartbeat of the tourism industry.

"We need to know as much as we can about what's happening on the ground in tourism, particularly during difficult times."

Across all businesses there was 6.1% fall in visitor demand in the three months to March. However, the spread was not even with small (-1.3%) and medium sized businesses (-1.2%) faring better than larger tourism businesses (-7.5%).

"Tourism performance is a mixed bag at the moment," said Mr Salter. "Larger businesses with more international exposure are feeling the pinch more than smaller businesses which have a greater focus on the domestic tourism market."

For the majority of operators, the survey showed that business performance was in-line with their expectations indicating that firms are adapting their operations to match the trading conditions.

Reduction in demand was cited as the main factor affecting business performance, but access to credit was also negatively affecting one-in-five small and medium sized businesses.

TIA Chief Executive Tim Cossar said the monthly survey will be a very welcome tool for tourism businesses, providing a lot more certainty for operators in their business planning on how New Zealand's tourism industry is tracking.

"It is our hope that this data will also provide a lot more assurance to banks looking to support tourism businesses by providing strong liquidity support through the current tougher trading environment", Mr Cossar said.

Operators expect demand to fall by 8% in the period to May. The greatest optimism lies in the ability to lure Australians across the Tasman and keep Kiwis holidaying at home.

“The survey supports Tourism New Zealand’s view that while long-haul arrivals have weakened, overall international arrivals are being held up by Australian visitors,” said George Hickton, Tourism New Zealand Chief Executive.

“Tourism New Zealand remains committed to working in long-haul countries to minimise the decline in arrivals, but it is clear that Australia will be a very important factor in the health of the industry over winter and in the medium-term,” he added.

The Tourism Industry Monitor (TIM) 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](http://www.tourismresearch.govt.nz/tim).

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