# Slowdown in Chinese tourists all part of the plan says Auckland Airport specialist

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China Southern brought the first commercial Boeing 787 Dreamliner to Auckland in 2013. Photo / Greg Bowker

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Tourism is New Zealand's largest export earning industry in terms of foreign currency earnings. The $39 billion industry makes a direct contribution to GDP of $15.9 billion

**and employs at least 8 per cent of New Zealand's workforce. The sector is seeing slowing growth but that's not necessarily a bad thing, reports Grant Bradley.**

An Auckland Airport expert in the Chinese tourism says the slowing growth in that market proves the visitor industry's strategy to attract higher value visitors has been a success.

In the year to February there were 436,700 visitors from China here, up 0.1 per cent on the year before and well down on several years of double digit growth.

Auckland Airport's market development manager Mark Frood said numbers had softened and some operators were feeling that.



''It's not a bad thing, as a platform for kicking off for the next five years we're in a really good space. This is not an accident.''

New Zealand's tourism industry, including the airport, had targeted more visitors who would fly here directly rather than on cheaper indirect flights and those who would find their own way around the country rather than on cheaper package tours.

Free independent travellers (FITs) spend more and figures he revealed at the airport's New Zealand Tourism Forum showed average spend is $4100 per person.

The proportion of FITs had risen from 45 per cent to 64 per cent in the space of four years.

Frood said after a period of low load factors and low yields

Chinese airlines' fares had stabilised and they were starting to head up.

An estimated 30.9 Chinese were actively considering coming to New Zealand which showed there was still a vast potential market, he said.

Scott Tasker, the airport's general manager of aero commercial said airlines had become more conservative due to economic uncertainty in some source markets and because of fluctuating fuel prices.

Although fuel had dipped from highs of six months ago, airlines which flew long haul to destinations could see profits tipped to a significant loss with price movement.

Since mid-2015 there had been significant growth with 11 new airlines flying to New Zealand and 20 new routes opened up.

The rate of growth had dwindled in the past 18 months with Air Canada, which plans Vancouver-Auckland seasonal services later this year, the most significant new entrant.

''That's important because Canadians stay a long time and spend a lot.''

Middle Eastern carriers such as Qatar Airways are crucial for feeding in European tourists. Photo / Greg Bowker

Existing airlines, notably Air New Zealand had expanded on some routes to the United States and North Asia, Singapore Airlines was doing more flying, United had increased service to Auckland and Philippine Airlines had moved to wide body services direct to Manila.

The Middle Eastern carriers - Emirates and Qatar - were key to New Zealand tourism with 40 per cent of visitors from Europe and Britain flying through Dubai or Doha.

However, Air Asia X had gone from the Gold Coast-Auckland route and Hong Kong Airlines was about to exit the Hong Kong route.

''The airline business is a challenging business.,' said Tasker.

The Tasman, where there are 10 million seats a year, was highly competitive although the Australia visitor market was proving hard to stimulate as the number of alternative destinations in Asia increased.

Auckland Airport is the country's main gateway with more than 178,000 flights and 20 million passengers arriving each year. It is in the midst of a $5 billion build to cope with an expected doubling of passenger numbers by 2044.

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Auckland Airport faces the challenge of keeping more than 20 million passengers a year moving through one of the biggest building sites in the country. / Video by Dean Purcell

Sustainable tourism, a theme of the tourist trade event Trenz in Rotorua this week, was discussed at the forum.

The airport that research it had commissioned has proposed a new framework for New Zealand to measure both the growth and sustainability of the tourism industry.

"We know tourism brings enormous benefits to New Zealand but our industry needs to manage its impact on our communities and the environment," said the company's chief executive Adrian Littlewood.

"If growth and sustainability don't go hand in hand, and New Zealanders don't understand the benefits tourism brings, we risk losing the support of local communities and undermining the experience of our visitors."

The research, carried out by economists Shamubeel Eaqub and Kirdan Lees at Sense Partners, has proposed a new framework called the Sustainable Tourism Growth Monitor (STGM), helping the industry to measure the impact of tourism on a range of factors including infrastructure, congestion, the environment and community wellbeing.

Eaqub said the monitor showed there were opportunities for New Zealand to boost tourism in regions which still had capacity for growth, such as Rotorua, Napier and Dunedin.

''The work we're doing shows we still have plenty of capacity in many parts of New Zealand but (pressure on) those hot spots should be a very strong signal to act right now.''