

Inside Nigel Coventry Tourism

PO Box 100, Taumarunui, New Zealand.

Tel/Fax 64-7-8957-737.

nigel@insidetourism.com

www.insidetourism.com

Member: PATA, TIANZ, SKAL.

Subscription rates on application.

ISSN 1176-3574

ISSUE 536/ Executive Summary

March 4th, 2005

Alexander predicts slower growth

TOURISM operators should expect at least a halving of last year's annual average inward visitor growth rate of 11.5 percent, warns BNZ chief economist Tony Alexander. "Especially considering the high exchange rate. Downside risks to the sector dominate." This is because there are forecasts of slowing trading partner growth.

Industry will oppose any bed tax

TIANZ CEO Fiona Luhrs has told local government managers that any proposition of a bed or tourist tax will be strongly opposed by the industry. She told the Local Government Chief Officer's Group meeting in Rotorua: "You no doubt recall such a tax was proposed to be included as part of the Rating Bill in 2001 but was removed at the recommendation of both our sector and the government on the grounds that such a tax would have been inequitable.

"There are also risks in making assumptions that certain sectors impose a disproportionate burden on the facilities in an area, and are not paying their way."

In the case of tourism, she added, Ministry of Tourism research in 2003 showed, that in almost all of the case studies examined, tourism was paying its way in funding water and wastewater facilities.

"Our view is that tourism might well be an easy target for rates, especially since tourists don't vote in your local elections.

"However, the case in favour of tourism taxes remains weak and they will be strongly opposed by our industry," the meeting was told.

Birth pangs of a "new" market?

KOREA could be one of New Zealand's best low-season markets - with most Korean holidays taken between July and September, and an increasing pool of independent travellers keen to take international holidays.

But in TNZ's Asia Profitability Survey last year the market rated lowest in terms of business practices, business integrity, volatility and ease of communication. "Put up against China, India and Taiwan, the New

Zealand industry also felt it had the least future desirability," says TNZ CEO George Hickton. So TNZ commissioned an independent report which included interviews with 25 New Zealand suppliers and eight Korean inbound operators.

Adds Mr Hickton: "One of the most important findings from this research is that most Korean 'inbounders' are being given a bad rap. Our research shows that the supply side of the New Zealand industry considers that over 50 percent are honest, pay on time, and are good to deal with.

"That said, most of the industry did report that they had been burnt by the Korean market at some stage. There is a percentage of the Korean inbound market that is causing problems for the honest operators, and the New Zealand industry as a whole."

2.3M visitors in year to January

INTERNATIONAL arrivals were up 9.8 percent in the year to January, reaching a record 2,336,852.

Asians are less satisfied

WHILE 98 percent of UK and US visitors say they will recommend a New Zealand holiday only 92 percent of Japanese or Korean visitors will do likewise.

IT readers say Asians seem less satisfied than English speaking visitors because many are on tours with few inclusions - and that guides are charging to see things which are free such as Government Gardens, Rotorua. TNZ CEO George Hickton explains his views in the full IT.

MACI relaunch

THE Maori Arts and Crafts Institute, Rotorua, is launching its new name and brand on March 21.

Burton's wish ...

IT is the wish of Tourism Minister Mark Burton that all inbound operators meet or exceed ITOC standards for quality (ITS35). He says a shift to compulsory membership of ITOC - or some other regulatory model - needs extensive consultation and careful analysis of costs and benefits of a system to address poor quality amongst a small number of operators.

Improvements to Tourism Awards

TAKING out the jargon, including an extensive glossary of terms, and introducing user-friendly criteria questions are among improvements made to the New Zealand Tourism Awards this year to help operators put together their best application.

Ruapehu to develop an RTO

RUAPEHU District Council (RDC) has agreed to develop Ruapehu Tourism into an RTO.

No pot of gold here, says Kennedy

QUEENSTOWN is not the pot of gold at the end of the rainbow that many people think, says Destination Queenstown CEO David Kennedy.

He was commenting on a survey released by the Queenstown Chamber of Commerce that says the boom is over - although tourist numbers are still rising.

Cardrona leading the ski areas

CARDRONA Alpine Resort is New Zealand's leading ski area, according to research by the Ski Areas' Association.

ITOC disappointed

ITOC is disappointed Immigration Minister Paul Swain has turned down a request for law changes to exempt overseas tour guides and escorts from requiring work visas.

Archer new head of NZHC

ACCOR Group North Island GM Paul Archer has been elected chairman of the Auckland region of the New Zealand Hotel Council (NZHC).

Record month for CIAL

CHRISTCHURCH International Airport (CIAL) experienced a record month with international passenger movements reaching 159,103 for January - a 33 per cent increase from the same period last year.

Call for taxes to be included in ticket

THE Board of Airline Representatives (BARNZ) and airport management are considering a request from ITOC and the Tourism and Travel Coalition that departure taxes at New Zealand airports be included in the cost of tickets.

Langham chairman strong believer in NZ

Langham Hotels International chairman Dr Lo Ka Shui says: "We have a strong belief in the future of the tourism sector in New Zealand, demonstrated by the introduction of Langham's own brand to this market and our investment in upgrading services and facilities to provide a distinctive brand experience for our guests."

Lake level concerns

LAKE Rotorua water levels are at a 10 year low creating concerns for Mokoia Island Tours.

AirNZ says it won't subsidise competitors

AIRNZ says it will not subsidise competitors flying Airbus A380 aircraft to Auckland International Airport. MD and CEO Ralph Norris says he is "extremely disappointed" in comments made by an AIAL executive who said AIAL would be looking to recover costs associated with the A380 from all carriers. Mr Norris says he's surprised and dismayed by the comments.

Airport reports 20% jump in profits

AUCKLAND International Airport Limited (AIAL) had a 20.1 percent increase in half-year profit to \$54.3 million and a 6.5 per cent increase in total passenger movements.

Carrier's earnings may have plateaued

AIRNZ'S first half profitability appears to have plateaued, with pre-tax earnings at a similar level for the past three financial years. That is both good news and bad news for the carrier. Centre for Asia Pacific Aviation senior consultant Ian Thomas says: "The good news is the airline has achieved a sustainable earnings recovery through the accelerated operational and capital restructuring which taken place since 2001. Gearing is down to a meagre 44 percent and shareholders' equity has climbed to N\$1,490 million, compared to just one third of that in 2001. All of this augurs well for the New Zealand government, and its ambitions to unload its majority stake." There are warning signs, however.

Giant cruise ship to be based here

THE popularity of giant cruise ships Star Princess and Sapphire Princess in New Zealand waters has paved the way for an extended maiden season next summer of another giant gem - Diamond Princess. She will be based here for a record four months.

Local man Lee joins DLT...

MARKETING consultant Scott Lee has been appointed GM for Taupo District Council's marketing arm, Destination Lake Taupo.

And a Taupo tourism forum will be held at the Wairakei Resort on May 19 and 20.

McIntyre joins Destination Rotorua

RUTH McIntyre, Qantas inbound sales manager for the past six years and former RM for Ansett UK/Europe, has been appointed assistant GM at Destination Rotorua Tourism Marketing.

If you want to know how to advertise, send us news, or simply look up some back issues please visit:

www.insidetourism.com