

# Inside Nigel Coventry Tourism

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## **Travel unaffected by high oil prices, says WTO**

HIGHER oil prices have so far had limited effect on international tourism growth, according to the United Nations' World Tourism Organisation (WTO).

A WTO report shows that, until now, the effect of high oil prices on international tourism has been minimal. Experts consulted note that only a small percentage of any increase has been passed on to consumers, says WTO chief of market intelligence Augusto Huéscar. "In addition, the imposition of surcharges by many airlines does not appear to have discouraged demand for air transport - at least for the time being."

Adds WTO secretary-general Francesco Frangialli: "While the past oil price peaks had a significant negative impact on tourism through to the economy at large, on this occasion the global economy has remained relatively steady and the inflationary pressure appears to be limited for now. Unlike previous crises it is not an unexpected shock, but rather a progressive escalation predominantly reflecting a strong demand for energy driven by economic growth."

## **There's still growth - THL**

TOURISM continues to grow despite terrorism threats, pointed out THL chairman Keith Smith in his address to the company's annual meeting on Tuesday.

"Whilst this growth is reducing after recent years of high growth the principal driver of international tourism, airline capacity, is continuing to increase. Larger aircraft, increased flight frequency and number of competitors continue to encourage international travel into the South Pacific."

He said Emirates is negotiating to double its daily flights into Australia to 170 a week.

**"The massive increase in fuel prices and implementation of airline fuel surcharges has not so far deterred travellers."**

He added: "However, there is evidence that the continuing high New Zealand and Australian currencies are slowing growth in the price sensitive markets of Japan and Asia and the backpackers market segment." For the year THL is hoping to make an operating net profit after tax of \$17 million.

## **Lower occupancies for another year?**

SLOWING overseas visitor arrival growth - 1.6 percent for September and four percent for the year - shorter intended length of stay and lower domestic visitor activity are affecting hotel and serviced apartment occupancies.

And this could continue for another year, advises Horwath Asia Pacific director Terry Ngan.

"Growth in new hotel and serviced apartment supply during 2005, based on rooms under construction and publicly announced, if they proceed, will provide additional challenges for hotel operators in the next few years."

## **TIA says industry is optimistic**

FORECASTS for summer are positive, indicating a continued growth in inbound visitor numbers, albeit not as strong as earlier forecasts. Operators TIA has been in contact with, report generally healthy forward bookings.

## **Milford meeting over divergent views**

**THE purpose of the meeting today (Friday) between DoC and aircraft operators who use Milford Sound is to provide the opportunity for submitters to better understand one another's positions, says department community relations manager Martin Rodd.**

## **RevPAR lowest in Rotorua**

ROTORUA had the lowest RevPAR and room rate in Australasia of \$73 and \$99 respectively, according to Horwath Asia Pacific director Terry Ngan.

## ***Are we in era of awesome evolution?***

**PATA President and CEO Mr Peter de Jong is appealing to aircraft manufacturers and airports to engage all tourism stakeholders when planning the future of aviation.**

## **World pole art symposium for Tokoroa**

LOCAL and international sculptors are being asked to put their names forward for the second Pole Art of the World Carving Symposium to be held in Tokoroa for three weeks from March 20 next year.

## **Aussies expect 5.5M visitors for year**

THERE were four million visitor arrivals to Australia during the nine months to September, an increase of seven percent on the previous year.

## **Trend-watching Wellington doing well**

WELLINGTON is bucking the national trend. According to the Ministry of Tourism's Domestic Travel Survey, domestic travel in New Zealand in the year ending December 2004 was down 8.5 percent. Yet Wellington saw an increase of 11.9 percent.

## **Minister ponders his portfolio**

KEY challenges this summer will be to continue to increase yield, extend the length-of-stay of visitors and to obtain better value from each guest, says Tourism Minister Damien O'Connor. He tells *IT* he's also focusing on domestic tourism. RTOS will be a major key. "Differentiating one region from another is really important."

The Minister intends to collate as many ideas as possible and to mull over them during the holidays. On the outcome of today's (Friday) meeting between DoC and flightseeing operators Mr O'Connor says: "It's the way forward that will be the point of contention. Obviously different operators are at different levels of investment."

## **AIAL charges too high, says BARNZ**

BARNZ - the Board of Airline Representatives - stands by its claim that Auckland International Airport receives 35 percent to 50 percent more revenue from the turnaround of an international aircraft than does Brisbane International Airport.

## **Advice for operators eyeing China**

CHINA'S outbound market may be booming - we are hosting about 85,000 a year - but our challenge is that it is a commodity market, points out TNZ RM Asia Tony Everitt.

"Prospective visitors have little understanding about what to expect from a New Zealand holiday," he says. "So, unable to distinguish between a good holiday and a bad one, visitors resort to one variable when making purchase decisions - price." The classic marketing response to a commodity situation is to brand the product. And that is what we need to do over the medium term, he adds.

## **Migrant workers to become key issue**

A key issue for the industry globally in future will be whether an appropriate balance can be found in the supply and demand for migrant workers, says PATA in its latest *Issues and Trends*.

## **"Explosive" theory comes to Otago**

YOU may not be in the business you think you're in. And if your competition figures that out before you do, you'll be left behind.

That's the core of an explosive theory from American Professors Stephen Vargo (University of Hawaii) and Robert Lusch (University of Arizona), who are considered the pioneers of what has become known as service-dominant logic theory.

## **Strategy and campaign to be launched**

THE Lake Taupo 10 Year Strategy is due to be unveiled - as is a domestic campaign. Destination Lake Taupo GM Scott Lee says the plan has "exciting innovations that will ensure Lake Taupo maintains its position in the market place."

## **More spent on Parliament than nature!**

WE spend more on running Parliament than on protecting native biodiversity, points out Forest and Bird.

## **Operators fear for the Gowan**

IF a hydro-power scheme is allowed on the Gowan it would ruin a river of national significance, river users say.

## **O'Connor promises continued support**

GOVERNMENT will continue to promote and help the development of a sustainable, prosperous and profitable tourism industry, Tourism Minister Damien O'Connor says. His comments follow the release of the Ministry of Tourism's briefing papers.

## **Regional travel growth remains strong**

ASIA-Pacific travel growth continues to remain strong, according to the latest booking figures just issued today by travel facilitator Abacus International.

## **Proposed lodge on market**

A proposed luxury lodge on the edge of Lake Te Anau is for sale. Plans for the project, known as Dusky Lodge, will encompass 17 architecturally designed villas, each with its own unit title, and a lodge complex on six hectares of landscaped grounds bordering Fiordland World Heritage Park.

## **Tourism Auckland comes up roses**

TOURISM Auckland's exhibit at the Ellerslie Flower Show has won a gold award in the Outdoor Retail category. It was the only exhibit in the Outdoor Retail category to receive a gold award.

## **Kiwis now like to be known as...Kiwis**

INCREASINGLY, it seems, the term "Kiwi" is a badge of identity that we use at home and when we travel, regardless of whether the countries we're visiting are familiar with the term or not.

## **Council defends pull-out of alliance**

CENTRAL Otago District Council says it is in dispute with the Otago Chamber of Commerce over the importance of tourism to the region.