

Media Release | 19 April 2013

Auckland Airport announces new tourism ambitions of 4 million visitor arrivals by 2020

As part of its AMBITION 2020 initiative, Auckland Airport outlines detailed tourism growth ambitions to reach 4 million visitor arrivals

Auckland Airport's AMBITION 2020 initiative, unveiled in May 2012, outlined a challenge for the industry to reach 3.5 million visitor arrivals in a changing market environment.

One year on from the commencement of AMBITION 2020, Auckland Airport has made significant progress towards reaching its outlined growth ambitions through a wide range of targeted programmes and initiatives and has also developed an updated set of documents to further outline changes in the tourism trends of global markets, including a specific Asia 2020 document which focuses on high growth markets in an Asian-lead century.

"Although overall arrivals were around two per cent down on our target for 2012, we saw many Asian markets such as China, Japan, Indonesia, India and Taiwan outperform our goals while traditional markets such as the United Kingdom, Australia and USA underperformed due to airlines redirecting capacity and markets struggling with slower economic recovery, as well as the lack of a major event such as the Rugby World Cup," says Adrian Littlewood, Auckland Airport's Chief Executive.

“Therefore, as we experience greater reshaping towards high growth Asian markets, combined with recovery in traditional markets and new additional air capacity, Auckland Airport now sees an acceleration of our growth position - which we have indicated this year in three forecast scenarios for growth of tourism arrivals.”

AMBITION 2020 is part of Auckland Airport’s wider contribution to industry planning and assesses the potential of the tourism sector in terms of both international visitor numbers and the value these visitors bring to the economy, as well as offering the industry insight into tourism trends.

“Auckland Airport believes there is potential to grow international visitor arrivals to between 3.4 - 4 million by 2020, depending on how aggressively we can meet demand and cater for market change. The potential spend of these visitors could deliver \$9.7 billion direct value for the tourism industry and even more than that for the overall New Zealand economy,” finishes Mr Littlewood.

Glenn Wedlock, Auckland Airport’s General Manager Aeronautical Commercial, says the long-term outlook for inbound tourism to New Zealand is positive, with strong growth expected to continue across the industry, and in the Asian markets in particular.

“If New Zealand is ambitious, visitor arrivals could increase by almost 60% across the period 2012 - 2020, allowing the industry to reach a potential 4 million arrivals by the end of 2020. This represents an increase of almost 1.5 million arrivals and could see total international and domestic traffic within New Zealand climb well above 20 million passengers by 2020. However, we must look to capture an increasing share of high opportunity target (HOT) markets such as China, Brazil, India and Indonesia,” continues Mr Wedlock.

“New Zealand’s visitor portfolio is continuously evolving in response to market conditions and the tourism world in 2020 is forecast to be in a very different place from where we are now, with Asia potentially delivering over 1 million arrivals by 2020.”

“China especially is a vital growth market for New Zealand and has rapidly become one of New Zealand’s top visitor markets. We are one year into the unveiling of our AMBITION 2020 initiative and we are already tracking ahead of our forecasted

Chinese arrivals. China is our second largest inbound tourism market and we believe Chinese arrivals could grow substantially from 174,757 in 2012 to potentially over 570,000 in 2020.”

As part of its AMBITION 2020 plan, Auckland Airport has introduced a series of new initiatives over the past year, including a number of programmes designed to increase visitor arrivals from Asia and build higher value traffic to attract more air capacity.

“Our programmes in market have really helped to deliver significant profit uplift for our airline partners. We plan to expand these programmes and continue stimulating innovation within the industry to help develop long-term market structures for growth in tourism arrivals,” concluded Mr Wedlock.

The Ambition 2020 forecast documents can be downloaded at www.ambition2020.co.nz

Ends

For more information please contact:

Glenn Wedlock
027 688 8063