

# CHINA MARKET NEWS

From TNZ China market development unit



Lake Wakatipu,  
Queenstown

Kia Ora

Welcome to the April 2017 issue of Tourism New Zealand's China Market News.

This newsletter is sent to all ADS accredited inbound tour operators, tour guides and other businesses and organisations associated with the China market.

The following items are covered in this edition:

- 1 ADS Code of Conduct review
- 2 Latest China visitor statistics
- 3 Air services increase
- 4 ADS approved tour guides
- 5 ITO ADS changes
- 6 Code of Conduct investigations
- 7 CMDU team changes

Tourism New Zealand's China Market Development Unit (CMDU) is based in Wellington. The team is responsible for managing the ADS Code of Conduct, handling complaints relating to the Code and continuing to improve the quality of Chinese visitors' experiences in New Zealand.

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## 1. ADS Code of Conduct review

The Ministry of Business, Innovation & Employment (MBIE) is commissioning an independent ‘first principles’ review of the ADS system to assess whether the current Code of Conduct is consistent with regulatory best practice for occupational regulation and is fit for purpose, and to consider options for improvement.

MBIE has selected PricewaterhouseCoopers as the supplier to carry out the review, who will engage with a range of industry stakeholders in due course.

The review is due to be completed by 30 June 2017.

A copy of the existing Code can be found on Tourism New Zealand’s corporate website on our [ADS page](#).

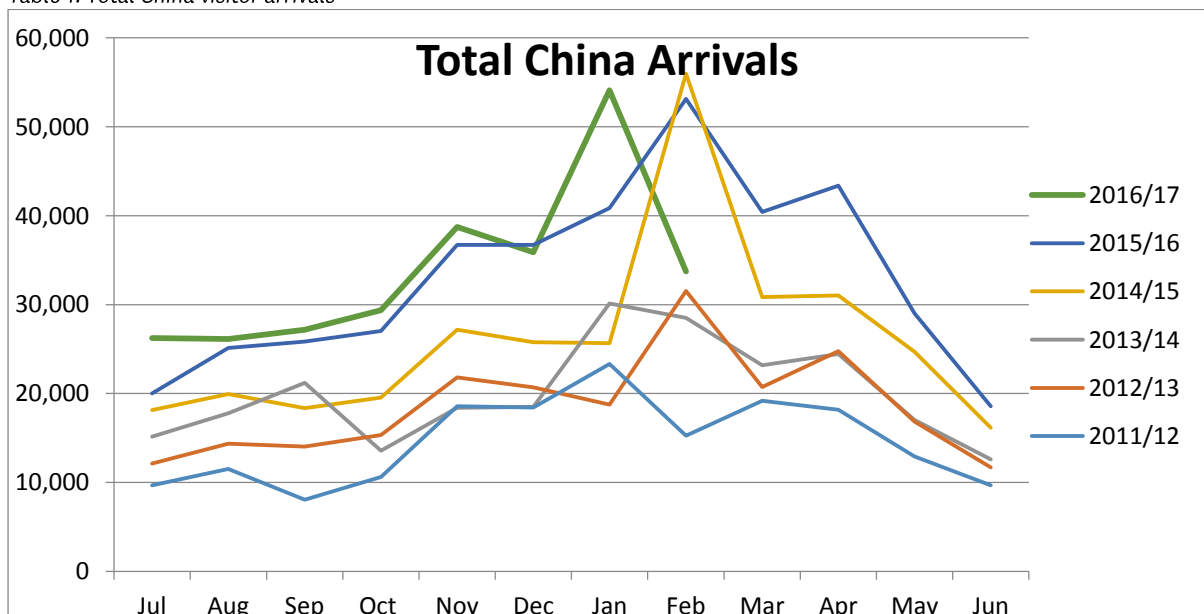
## 2. Latest China visitor statistics

Visitor growth from China has slowed down in recent months to a more sustainable level. Chinese New Year occurred in January 2017 (compared to February in 2016) - combined Jan/Feb 2017 arrivals were down 6.6% on the previous year.

The latest Chinese visitor arrival data is summarised below:

- Total visitor arrivals for the year ending February 2017 is 402,832, an increase of 9.4 per cent on the previous year. Most of this growth is in the holiday segment (up 7.7 per cent year to date) but VFR (Visiting Friends and Relatives) is also strong (up 14 per cent). Holiday length of stay has grown 4.1 per cent, or 8.8 days, a positive indicator that our visitors are staying longer and seeing more of New Zealand.

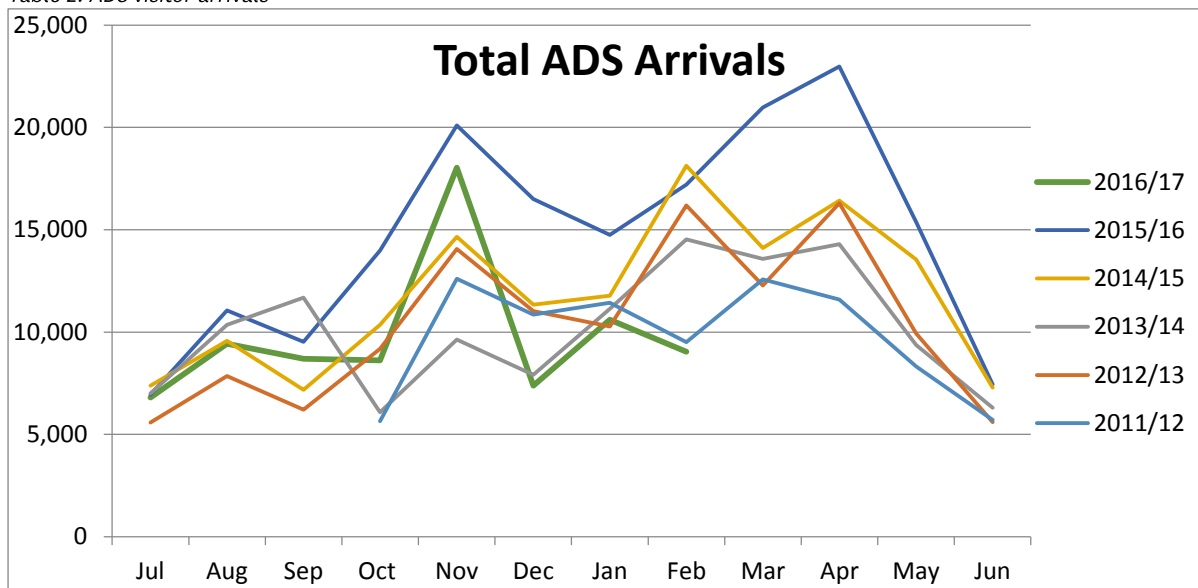
Table 1: Total China visitor arrivals



Source: Ministry of Business, Innovation and Employment

- The ADS group market follows a different pattern, with slowing in the past few years at the expense of growth in the independent travel segment. ADS travel saw an upsurge during the 2015/16 year but since June this year it has declined. Seasonally it does not peak around Chinese New Year (when prices are higher and product inventory is at a premium) but seems to be developing a dual peak in November and April. Since the November 2016 peak (which was down on the 2015 record but still significant) ADS arrivals have dropped to historical lows.

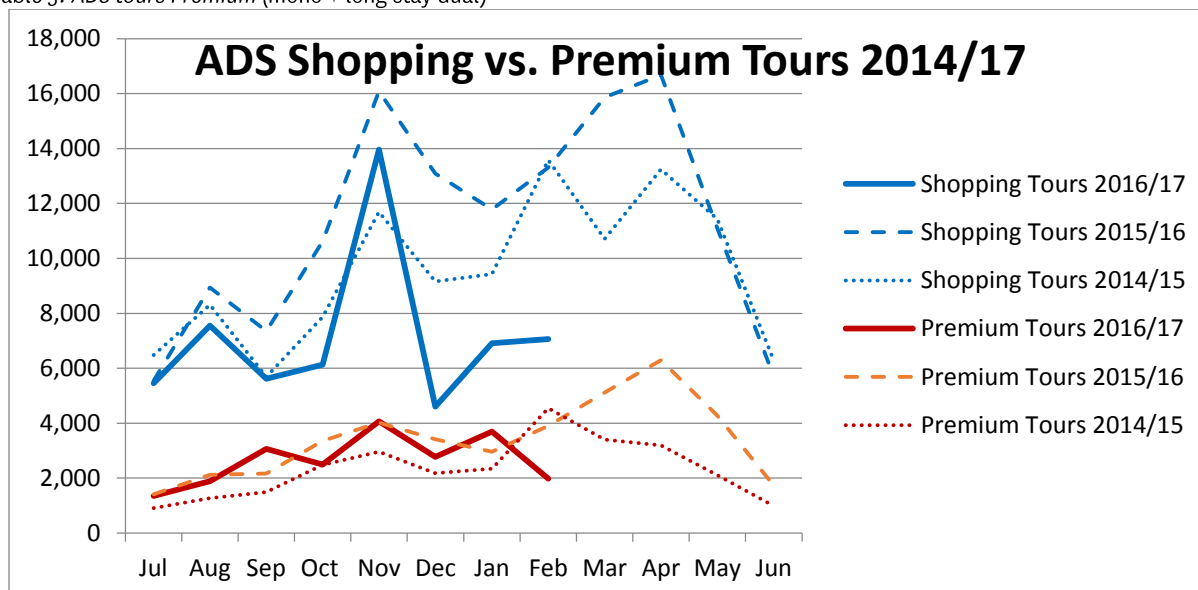
Table 2: ADS visitor arrivals



Source: Immigration NZ

- There has been a strong move in the past two years to higher value ADS tours. For the year ending February 2017 the number of Chinese visitors travelling on low value (shopping)<sup>1</sup> ADS tours was 106,646, down 17.9 per cent compared to the previous year. The number of Chinese visitors travelling on high value<sup>2</sup> ADS tours was 38,754, up 17.3 per cent on the previous year. Almost 27 per cent of ADS visitors are now taking higher value 'premium dual' or 'mono' ADS tours.

Table 3: ADS tours Premium (mono + long stay dual)

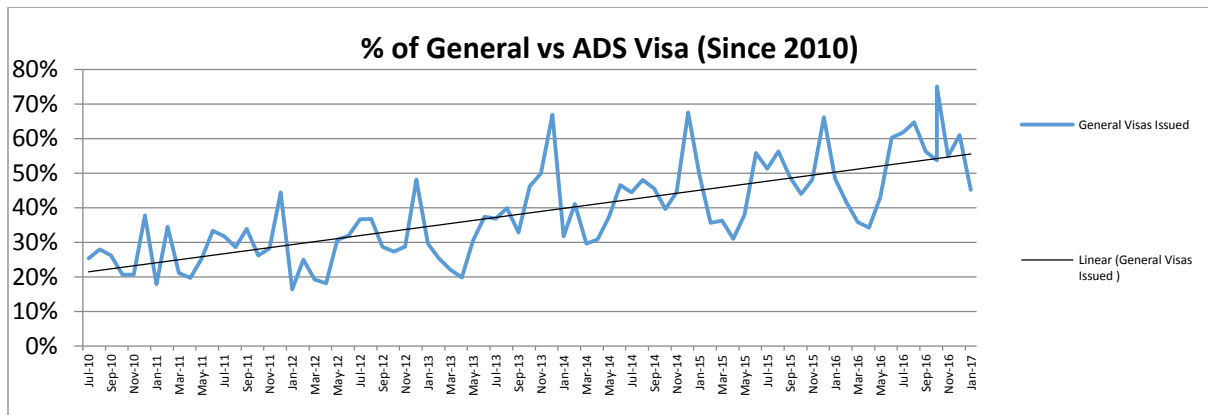


Source: Immigration NZ

- There continues to be a rapid shift away from ADS group tours to FIT travel. The number of visitors from China travelling on General Visitor Visas (predominantly FIT travellers) now exceeds those travelling on ADS visas (predominantly group travellers). For the year ended February 2017 the split was 55.1% on General visas and 44.9% on ADS visas. The chart below shows this inexorable increase – only six years ago the ADS market dominated with 80 per cent market share.

<sup>1</sup> Low value represents ADS visitors spending 4 days or shorter in NZ North Island only and visiting both Australia and NZ.

<sup>2</sup> High Value represents ADS visitors spending 5 days or longer in NZ or South Island only and less than 5 days, or mono NZ.



Source: Immigration NZ

### 3. Air services increase

This past summer we had 49 weekly services between NZ and China with over 13,000 seats available. Air New Zealand added more flights on its Shanghai-Auckland route, China Southern boosted capacity on its Christchurch flights and we saw two new routes open: Tianjin Airlines (Tianjin-Chongqing-Auckland 3 per week from 21 Dec 2016) and Hainan Airlines (Xi'an-Shenzhen-Auckland 3 per week from 31 Dec 2016).

Additionally, Hong Kong Airlines is now targeting southern China with their new daily Hong Kong-Auckland flights that commenced 10 November 2016 (which increased to 10 per week Dec-Feb).

Sichuan Airlines will be the next new carrier – they commence service between Chengdu and Auckland 3 times a week from June 2017.

The maximum number of flights allowed between New Zealand and China increased from 21 to 42 per week, per country in November 2014, and then increased to 49 per week in November 2016. Recently, in March 2017 it was increased yet again to a maximum 59 per week which allows for lots of new services in the future.

### 4. ADS approved tour guides

There are currently 393 ADS accredited tour guides, an increase from 316 in April 2016.

Contact details for those tour guides who have demonstrated that they meet all of Tourism New Zealand's tour guide requirements can be found on our corporate website [here](#).

### 5. ADS ITO changes

There are currently 37 ADS accredited inbound tour operators (ITOs), an increase from 32 in April 2016. A full list can be found [here](#).

In the past few months the following changes have taken place:

New ADS accredited ITOs:

- Grand Austour New Zealand Pty Ltd
- Excel Travel Ltd
- New Zealand Express Travel Ltd

## 6. Code of Conduct investigations

During the course of our routine administration of the ADS Code of Conduct during the past year (from April 2016 to March 2017), we have identified and dealt with 36 potential breaches of the Code. As a result 26 breaches were upheld and the following actions were taken:

- Seven ITOs were required to undertake corrective action
- Three ITOs were placed on probation
- Six tour guides were given demerit points

## 7. CMDU team changes

Cici Huang, the CMDU's longest serving Market Co-ordinator, is leaving Tourism NZ on Friday 7 April after 9½ years with us. Cici has a new marketing role with the Department of Conservation here in Wellington and we wish her well in her new career.

You can contact each of the team personally as below, or use the office contact details as outlined on the cover page:

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