

CHINA MARKET NEWS

From TNZ China market development unit



Lake Wakatipu,
Queenstown

Kia Ora

Welcome to the August 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 Latest China visitor statistics
- 2 Air services changes
- 3 ADS approved tour guides
- 4 ITO ADS changes
- 5 Code of Conduct investigations

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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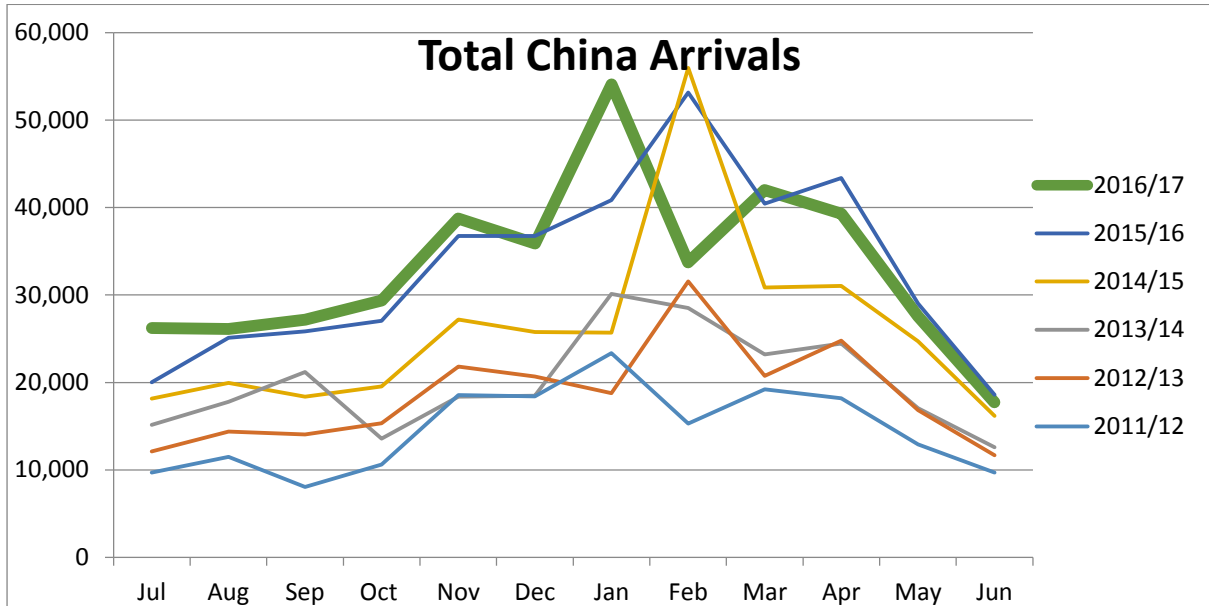
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1. Latest China visitor statistics

The latest Chinese visitor arrival data is summarised below:

- Total visitor arrivals for the year ending June 2017 is 398,000, an increase of 0.3 per cent on the previous year. The holiday segment has contracted (down 3.6 per cent year to date) but VFR (Visiting Friends and Relatives) has increased (up 13 per cent). Holiday length of stay has grown 8.1 per cent, to 8.3 days, a positive indicator that our visitors are staying longer and seeing more of New Zealand. The number of holiday stay days increased by 4.2% to 2.66 million.

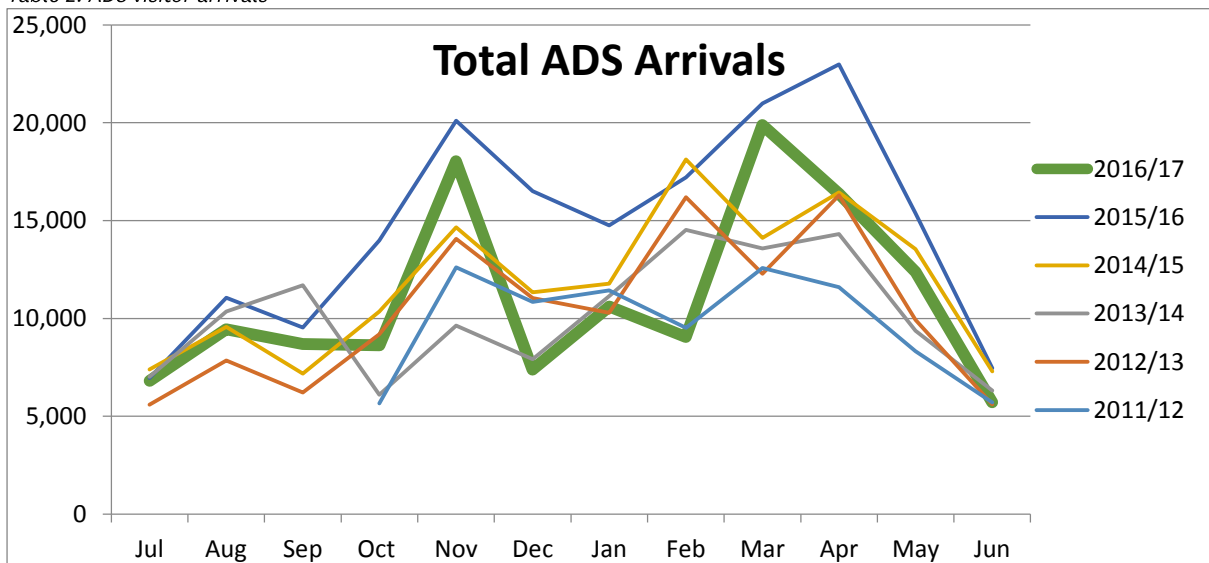
Table 1: Total China visitor arrivals



Source: Ministry of Business, Innovation and Employment

- Strong growth in the independent travel segment over the past few years has been at the expense of the ADS group market. ADS travel saw an upsurge during the 2015/16 year but since June 2016 it has steadily declined to 176,842 for the year ending June 2017 (down 24.8%). ADS travellers this year avoided Chinese New Year (when prices are higher and product inventory is at a premium) and moved to dual peak travel periods in November and March/April.

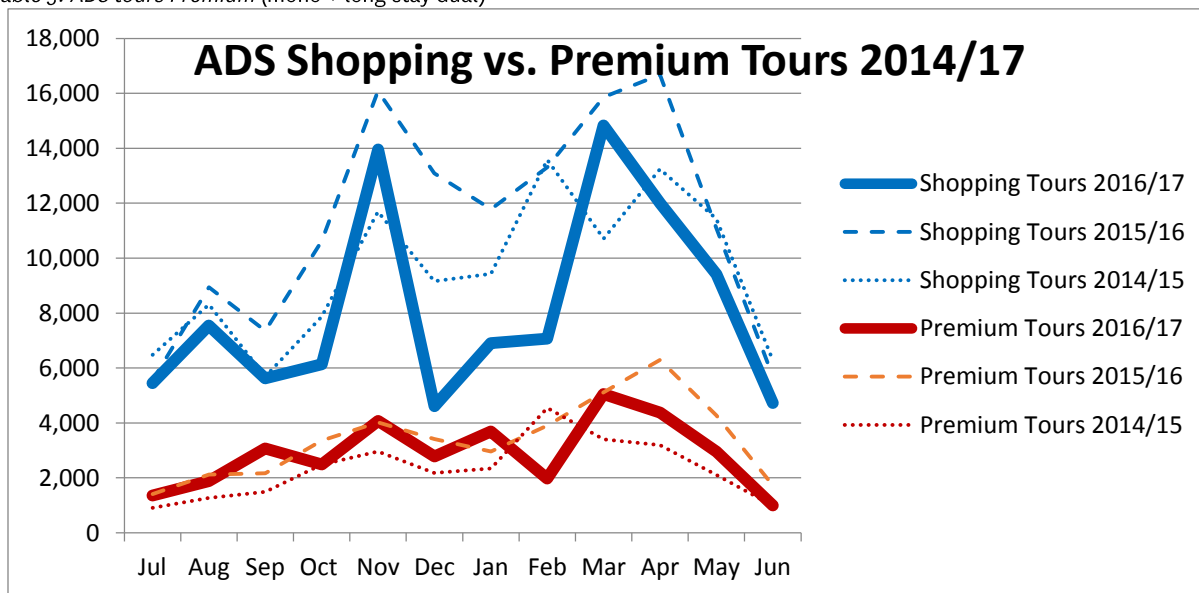
Table 2: ADS visitor arrivals



Source: Immigration NZ

- There has been a strong move in the past two years to higher value ADS tours. For the year ending June 2017 the number of Chinese visitors travelling on **low value (shopping)**¹ ADS tours was 98,257, down 27.8 per cent compared to the previous year. The number of Chinese visitors travelling on **high value**² ADS tours was 34,709, down 14.9 per cent on the previous year. Over 26 per cent of ADS visitors are now taking higher value 'premium dual' or 'mono' ADS tours.

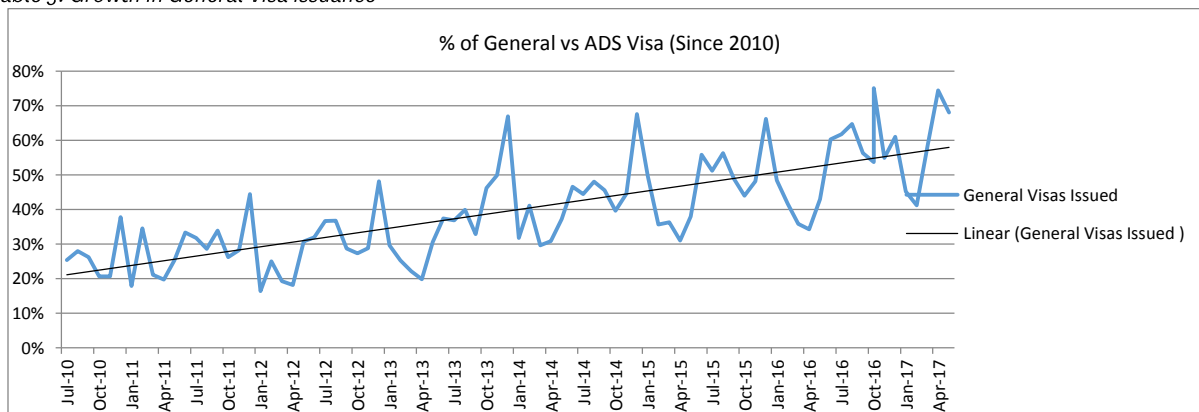
Table 3: ADS tours Premium (mono + long stay dual)



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 June 2017 the split was 58.5% on General visas and 41.5% on ADS visas. The chart below shows this inexorable increase – only six years ago the ADS market dominated with 80 per cent market share.

Table 3: Growth in General Visa issuance



Source: Immigration NZ

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

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

2. Air services changes

This past summer we had 51 weekly services between NZ and China with over 13,700 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 Dec 2016) and Hainan Airlines (Xi'an-Shenzhen-Auckland 3 per week, also from Dec 2016).

Additionally, Hong Kong Airlines began targeting visitors from southern China with their new daily Hong Kong-Auckland flights that commenced November 2016.

All airlines have reduced flight frequency over the winter months although Sichuan Airlines commenced a new service between Chengdu and Auckland 3 times a week from June 2017.

Summer schedules for 2017/2018 have yet to be finalised and it is expected that there will not be a major increase on available capacity over last summer.

3. ADS approved tour guides

There are currently 415 ADS accredited tour guides, an increase from 341 in July 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](#).

4. ADS ITO changes

There are currently 38 ADS accredited inbound tour operators (ITOs), an increase from 36 in July 2016. A full list can be found [here](#).

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

New ADS accredited ITOs:

- Greenstar Travel New Zealand Limited
- Prestige Pacific Tours Limited
- New Zealand Champion Travel Service Limited

5. Code of Conduct investigations

During the course of our routine administration of the ADS Code of Conduct during the past year (from July 2016 to June 2017), we have identified and dealt with 38 potential breaches of the Code. As a result 29 breaches were upheld and the following actions were taken:

- Eight ITOs were required to undertake corrective action
- Four ITOs were placed on probation
- Nine tour guides were given demerit points