

Tourism Trials

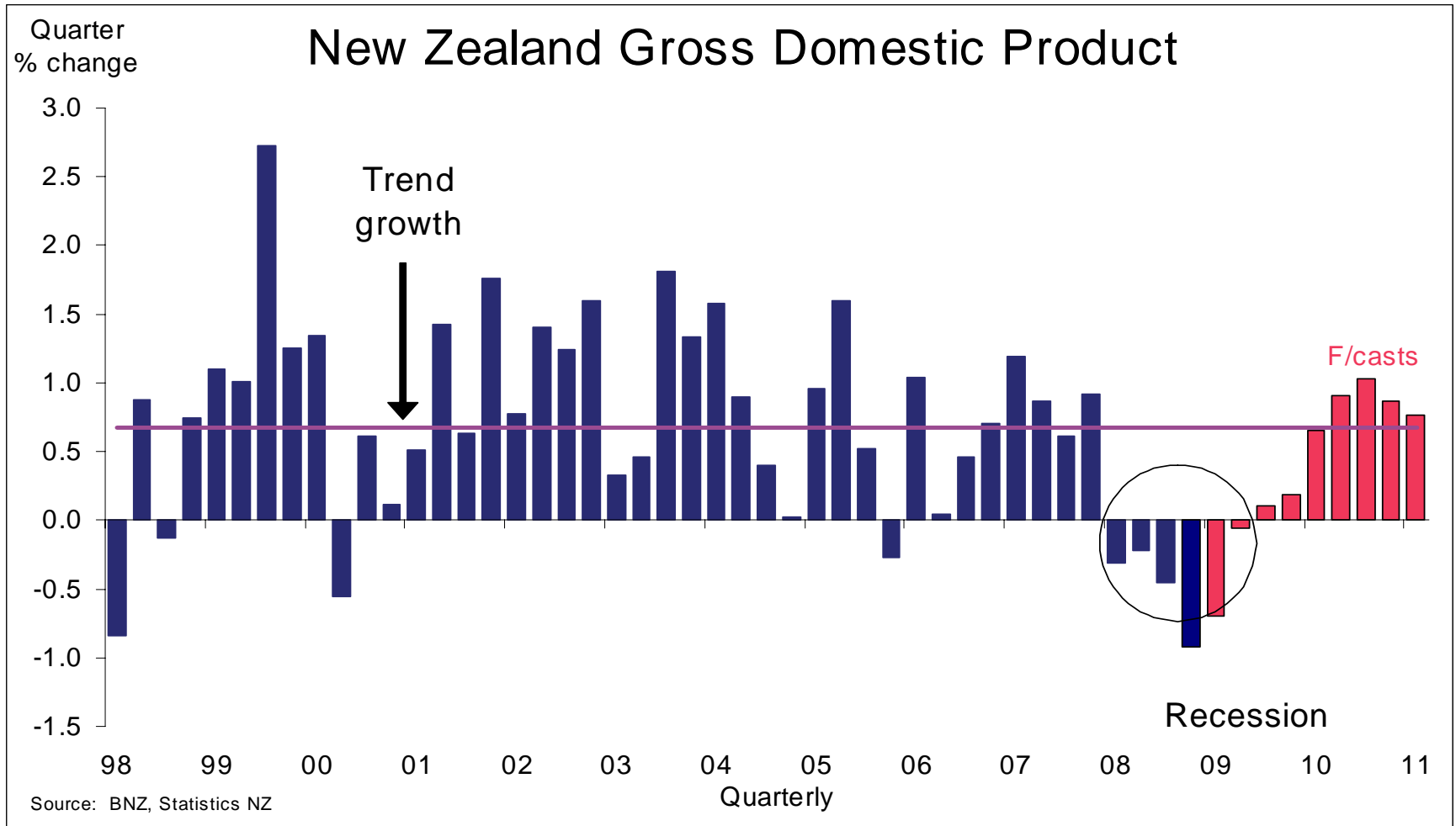
Stephen Toplis, Head of Research

14 May 2009

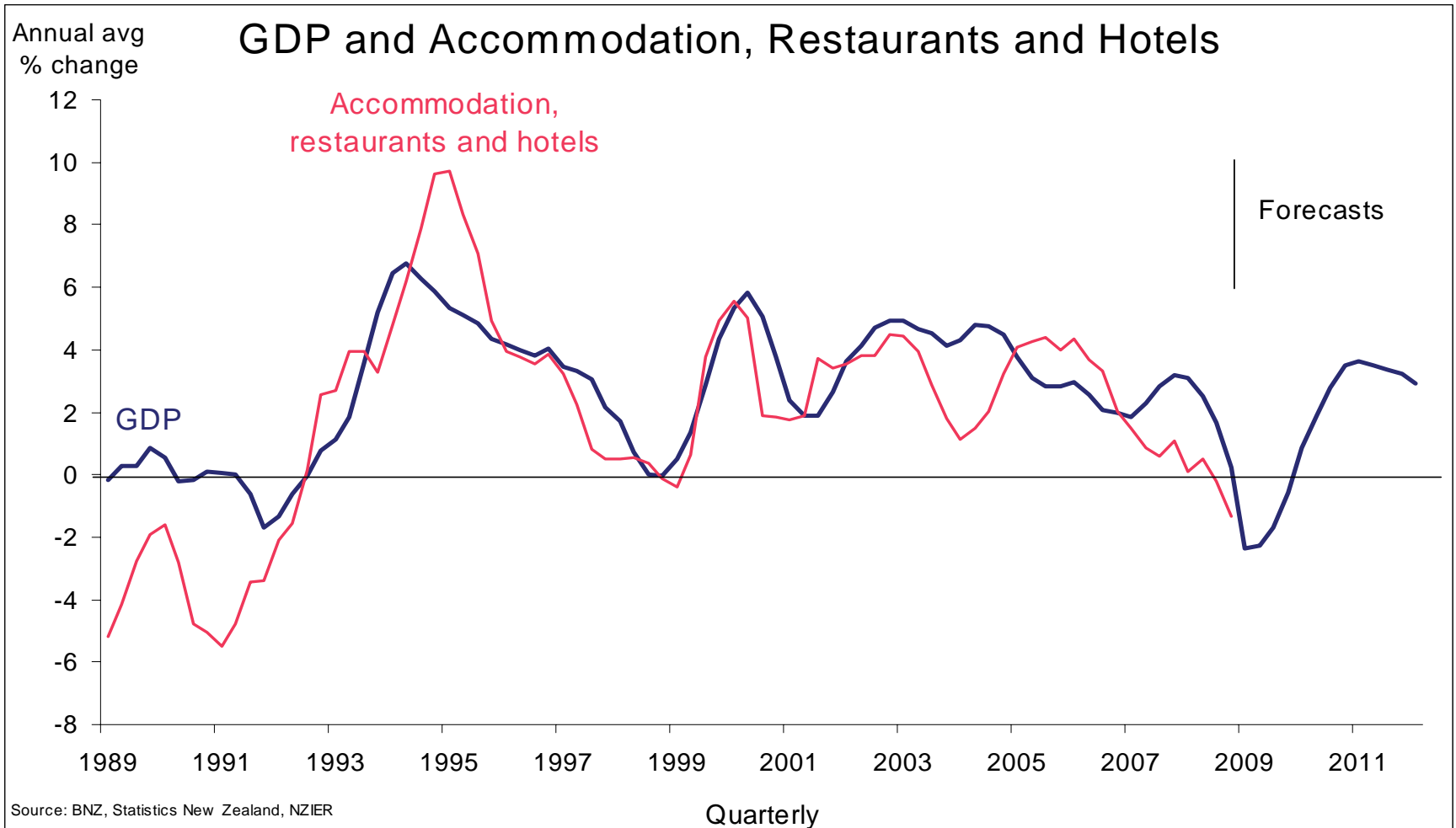
Introduction

- Domestic recession rolls on
- Global outlook troublesome
- Signs of life
- But a higher NZD?

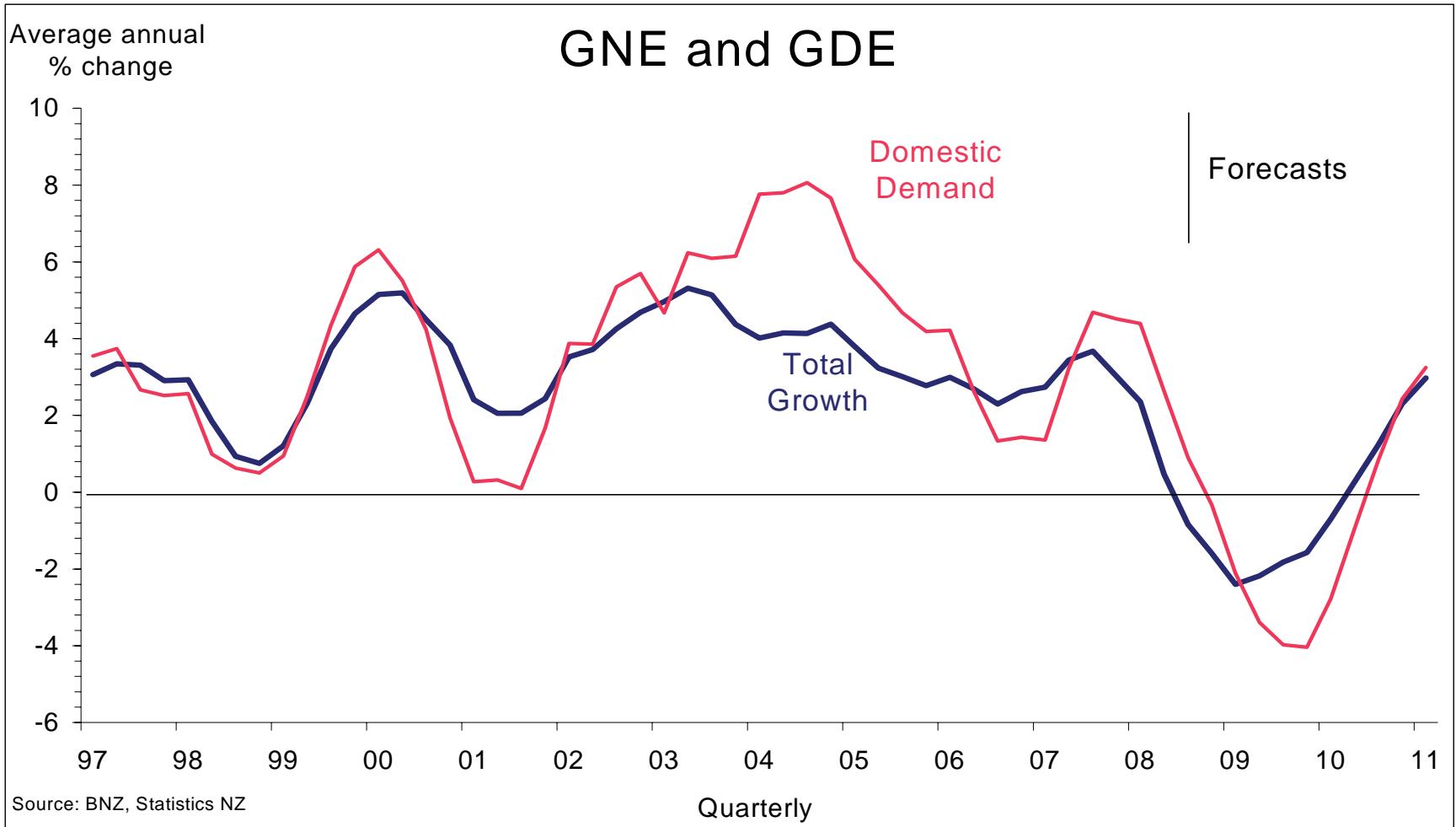
The Recession Rolls On



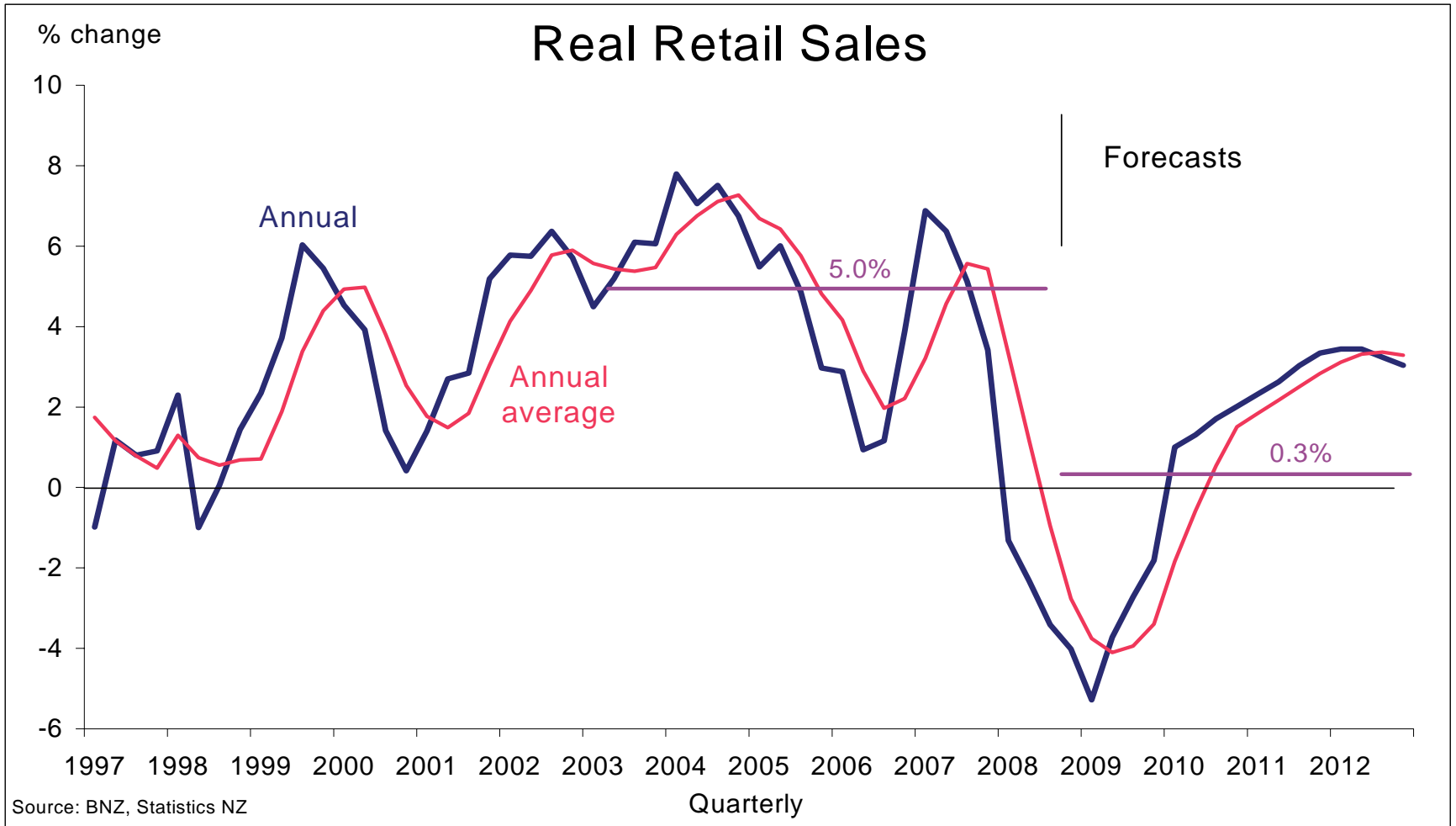
A High Beta Sector?



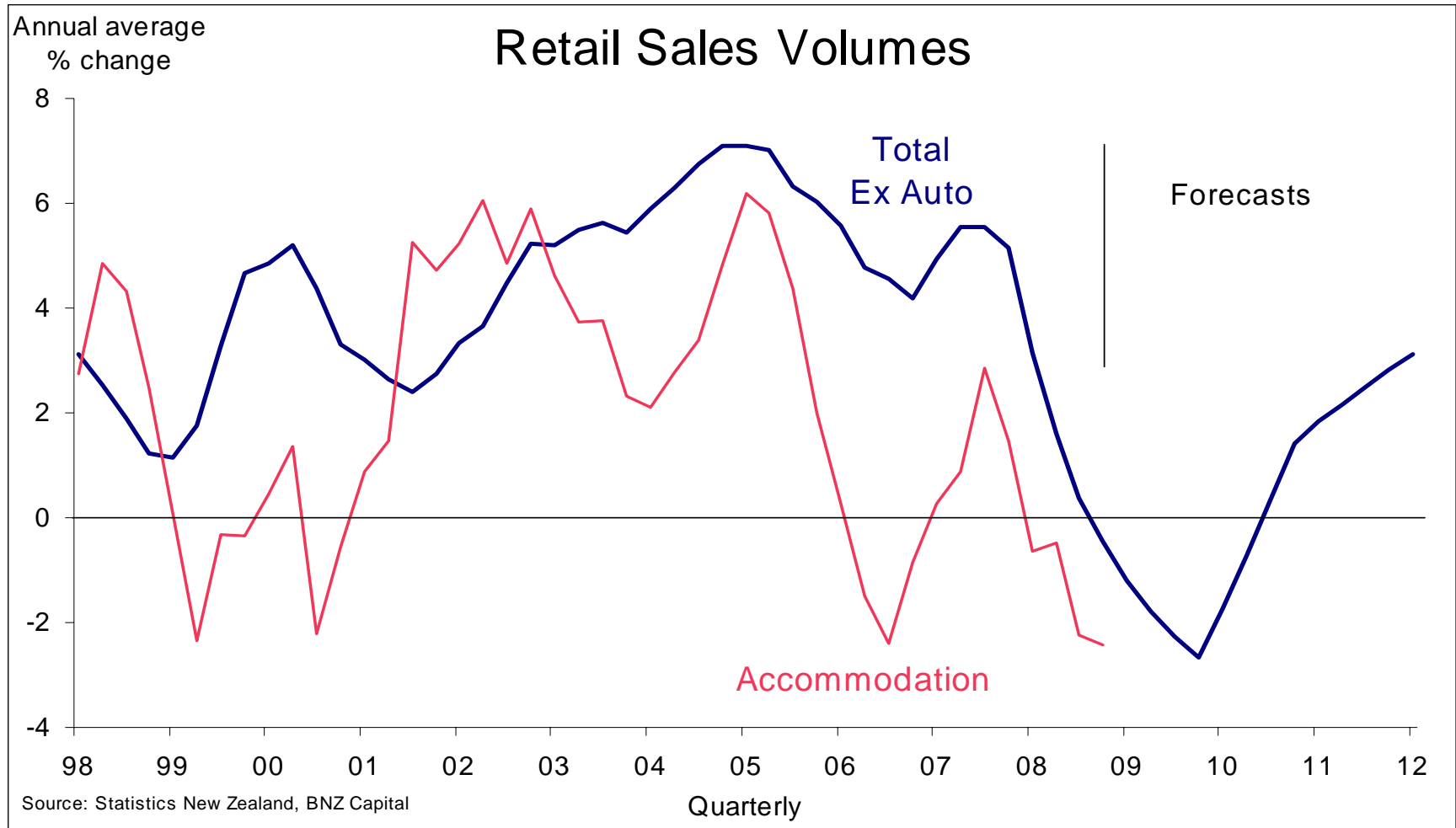
Domestic Demand Wilts



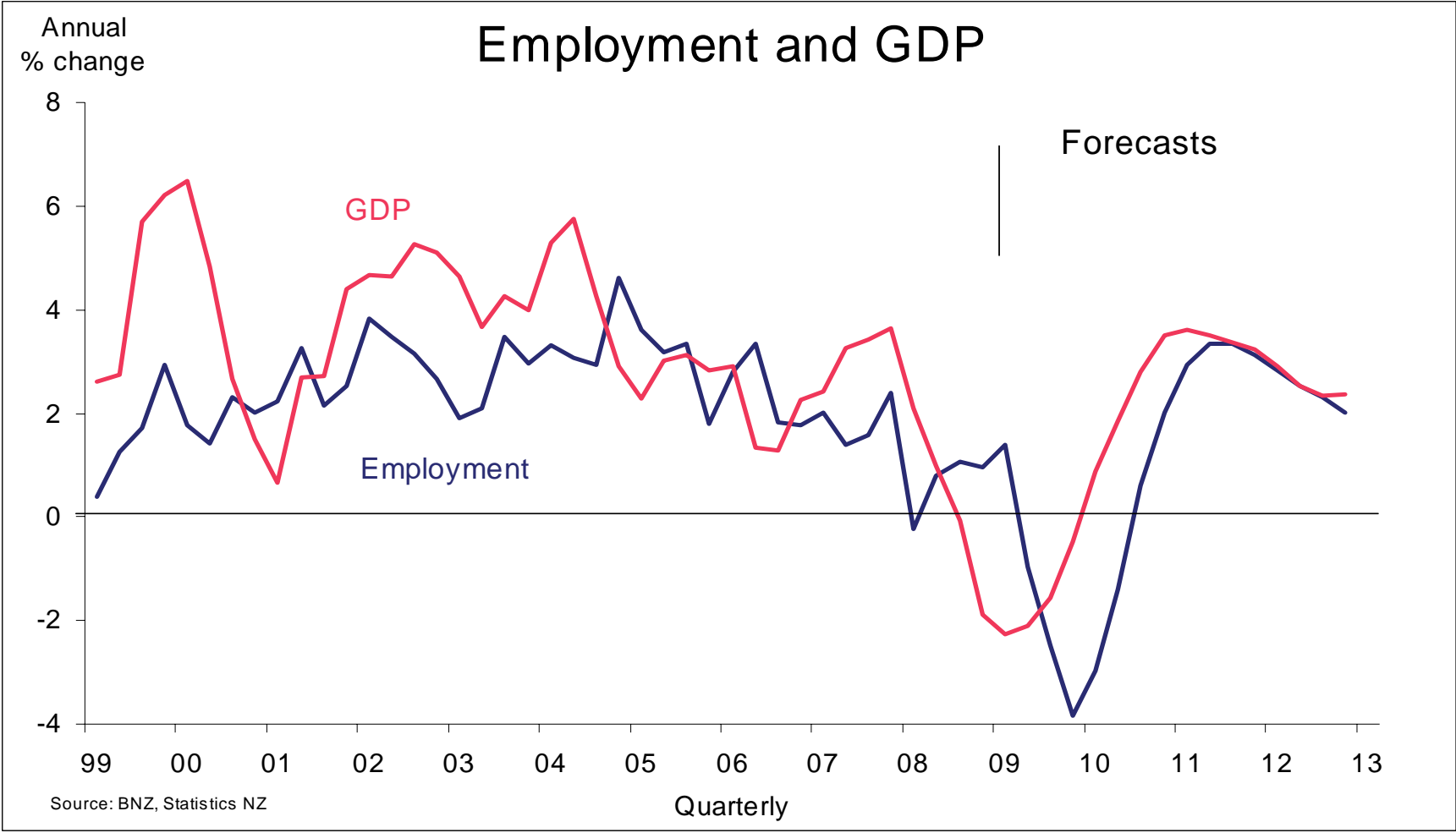
Retail Spending Thumped



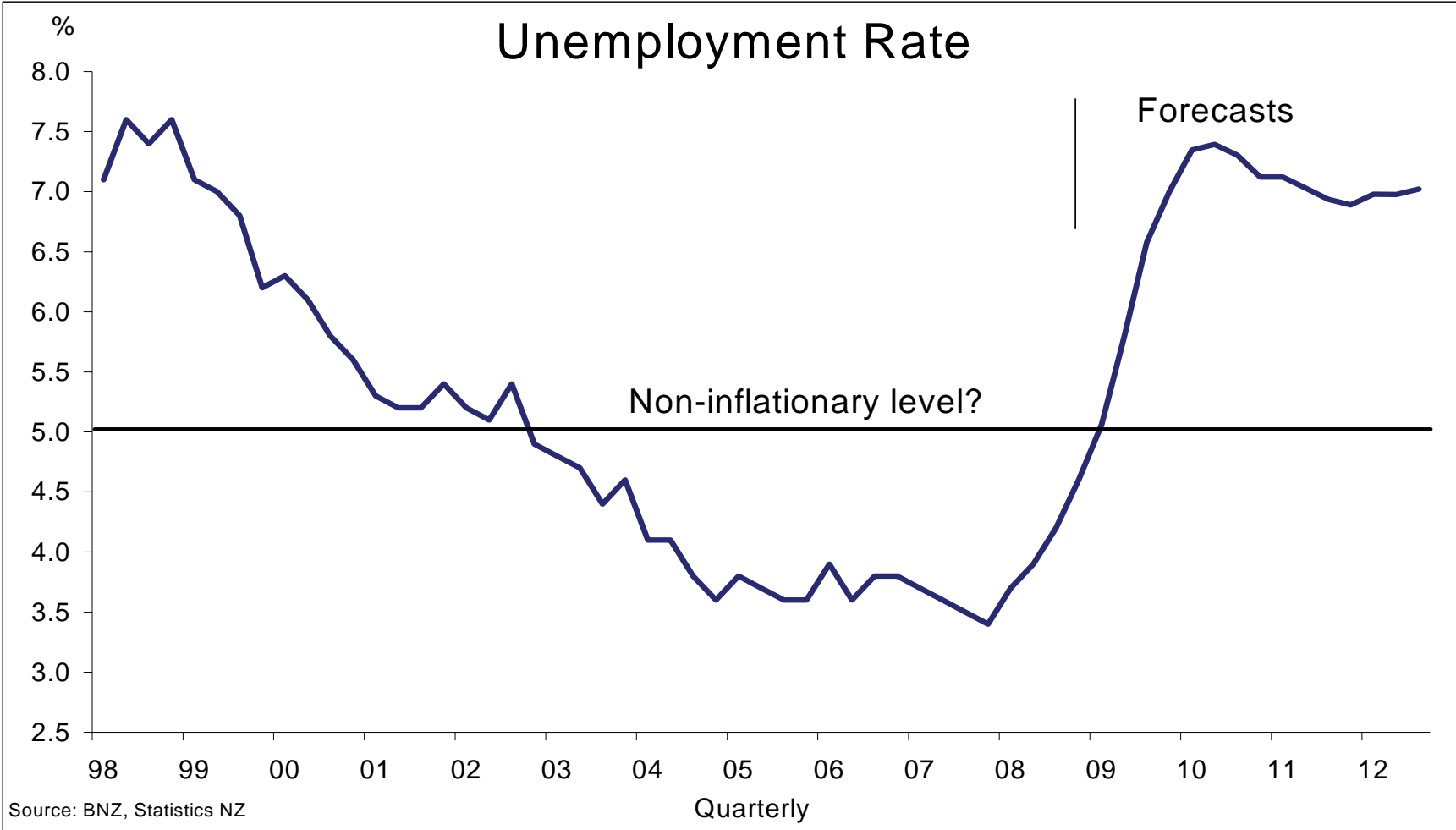
Accommodation Worries



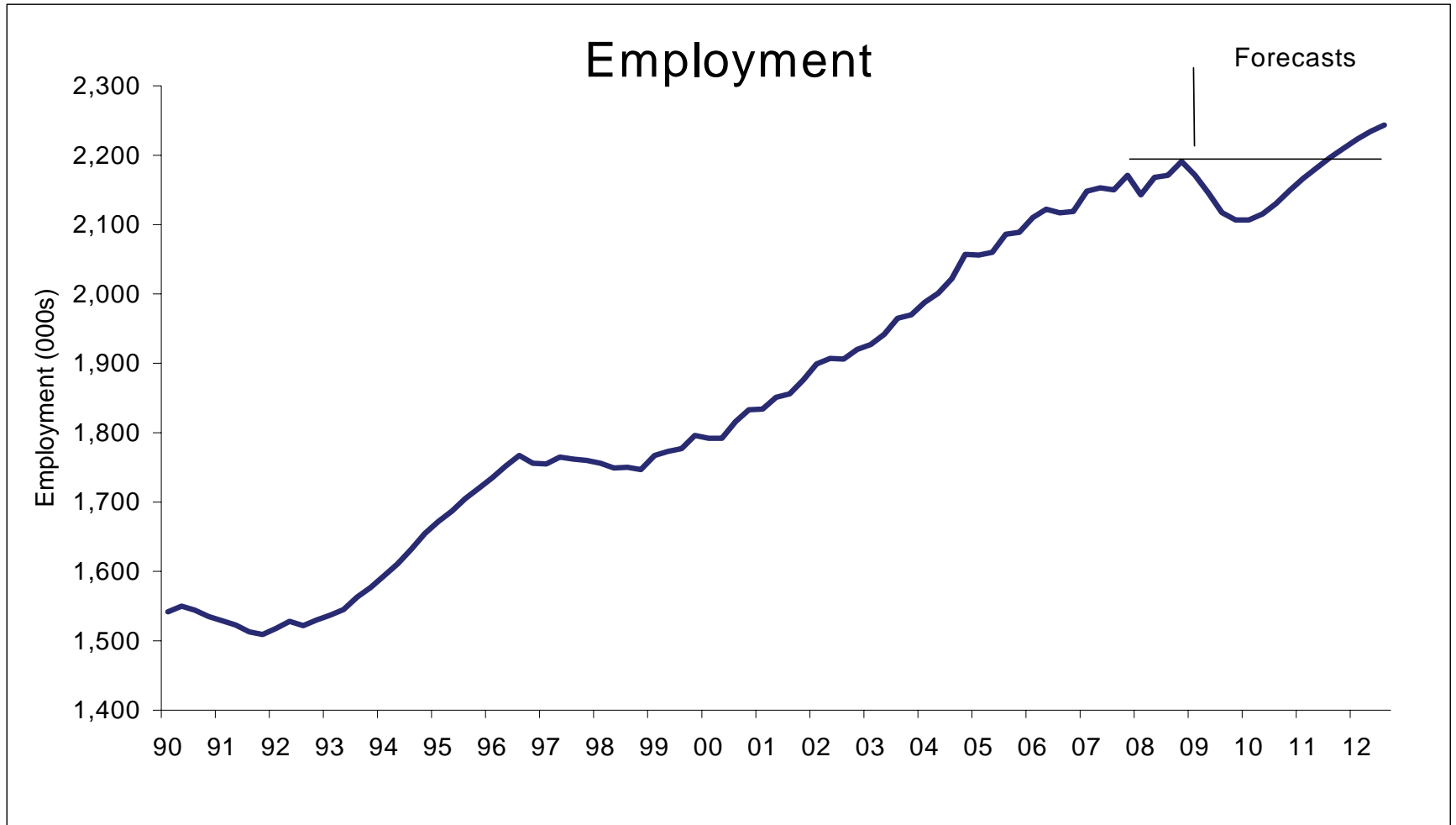
Labour Fallout Begins



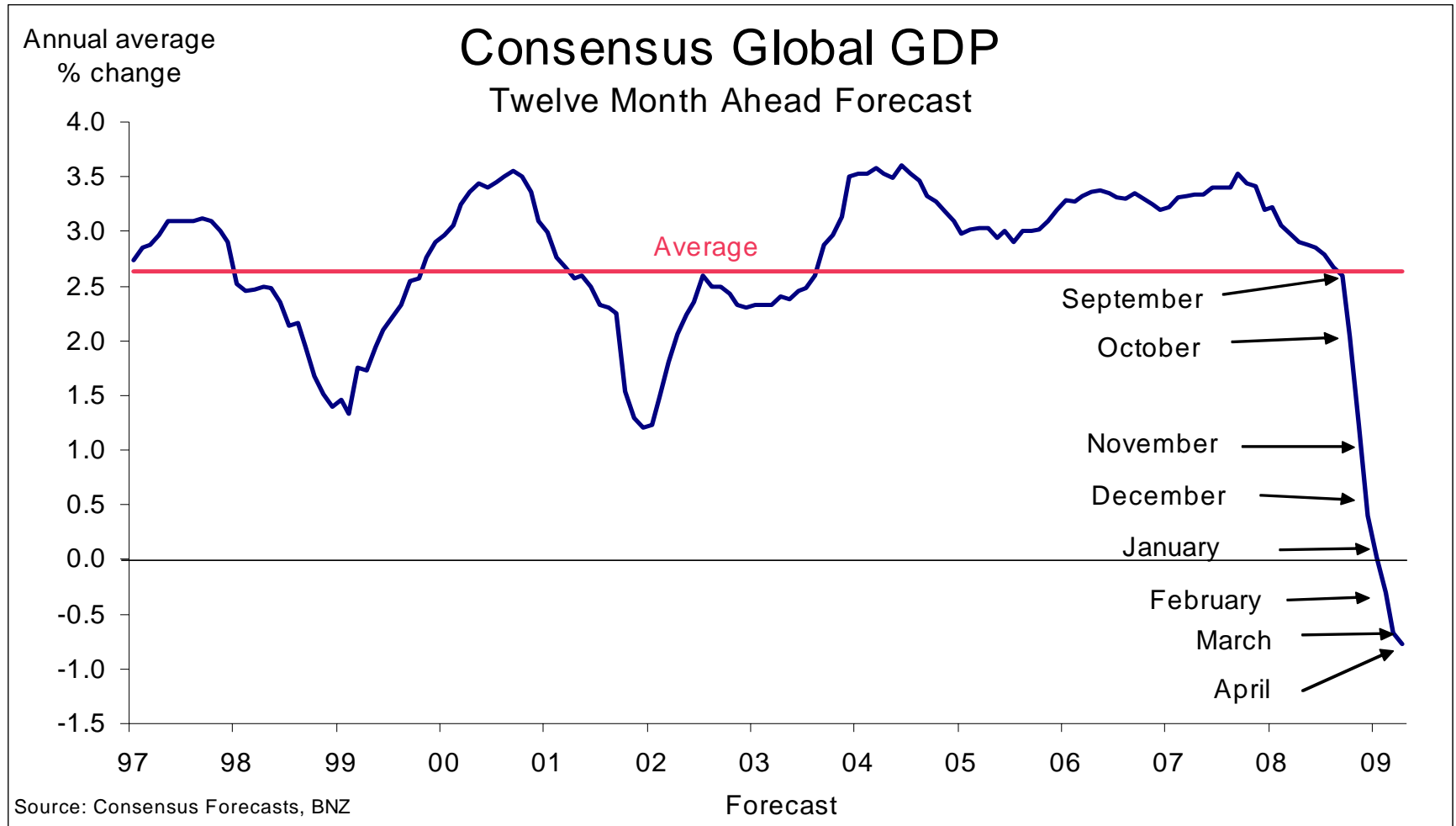
Unemployment to Soar



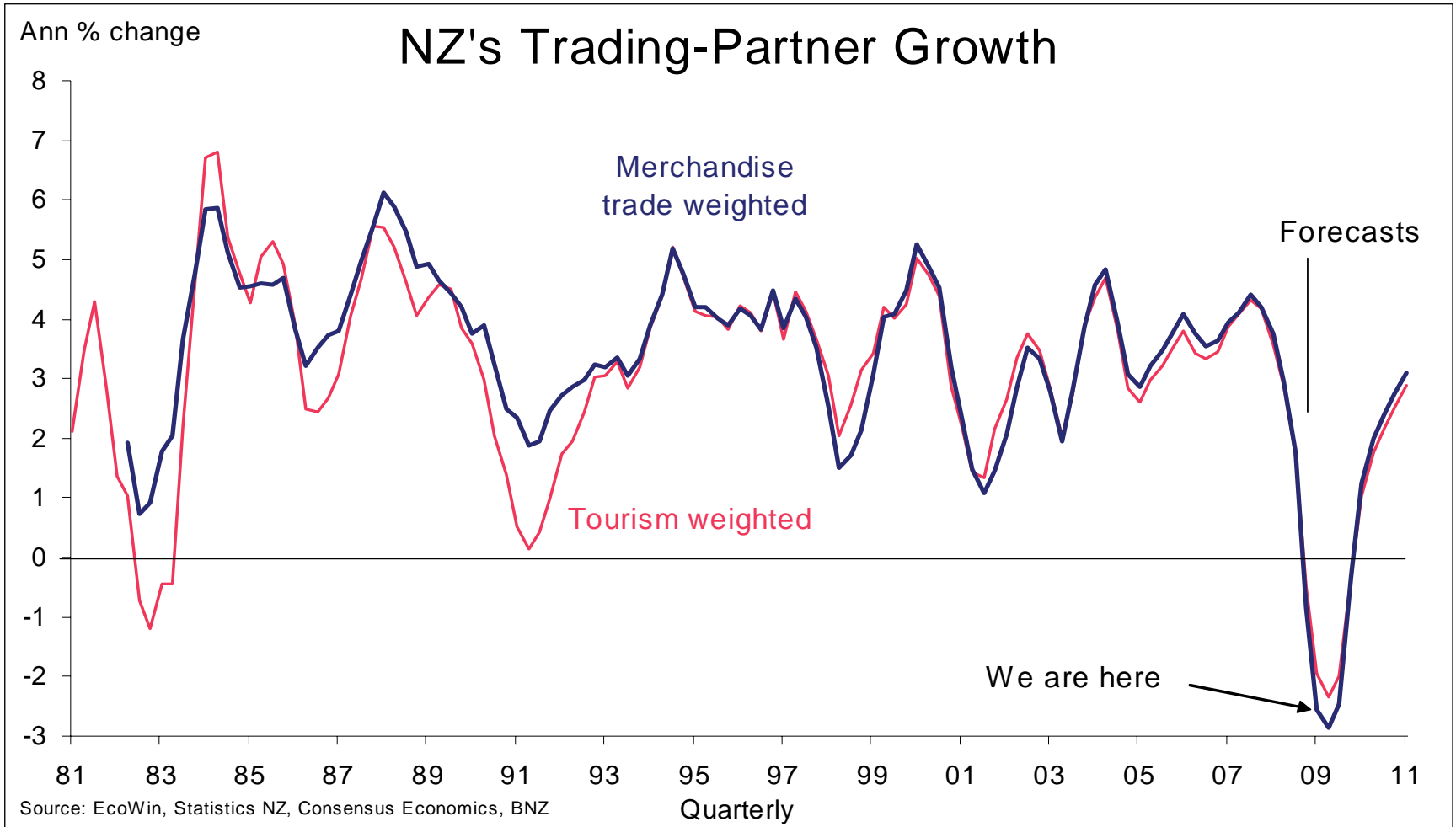
A Long Wait Between Drinks



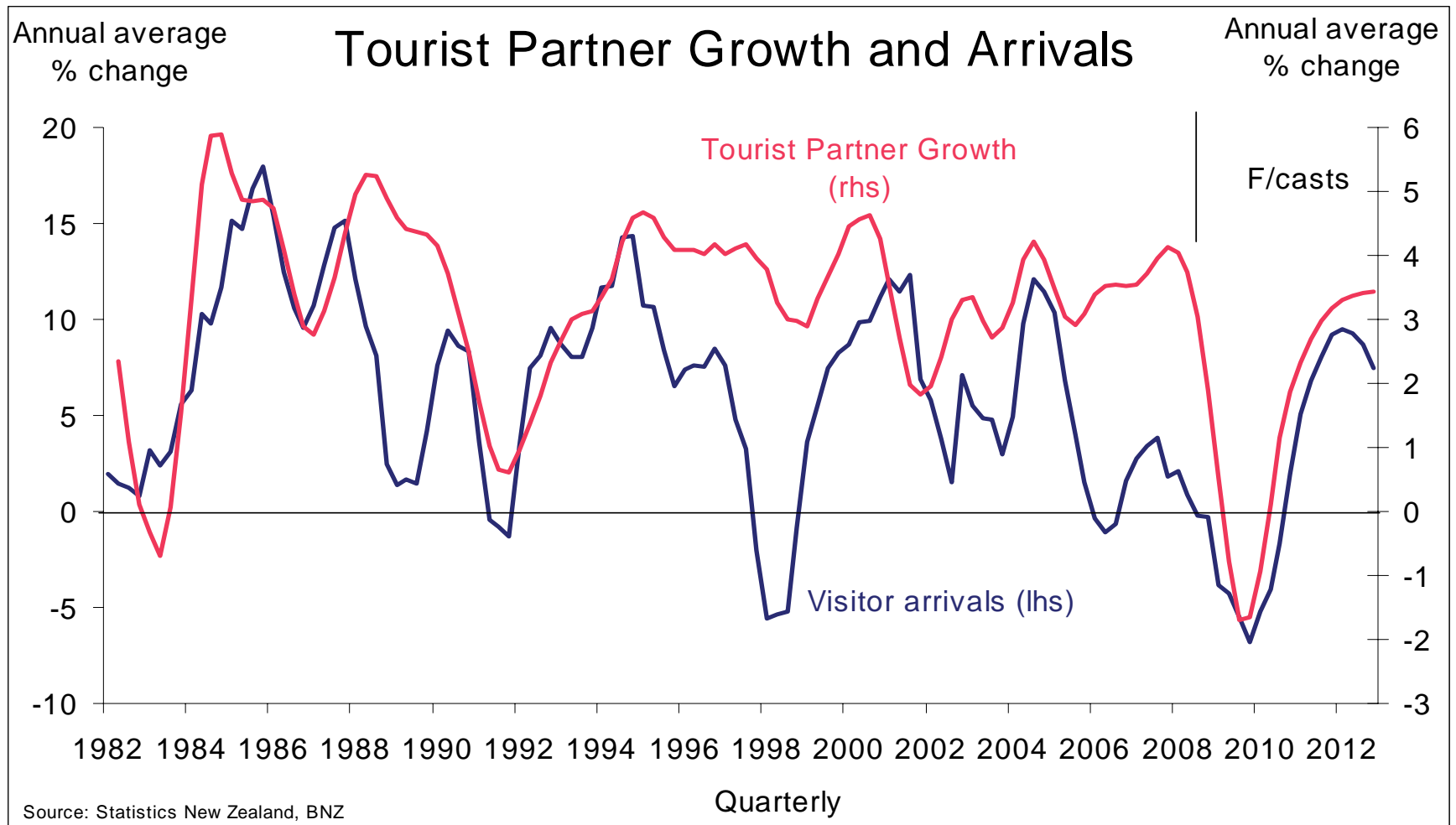
External Environment Horrid



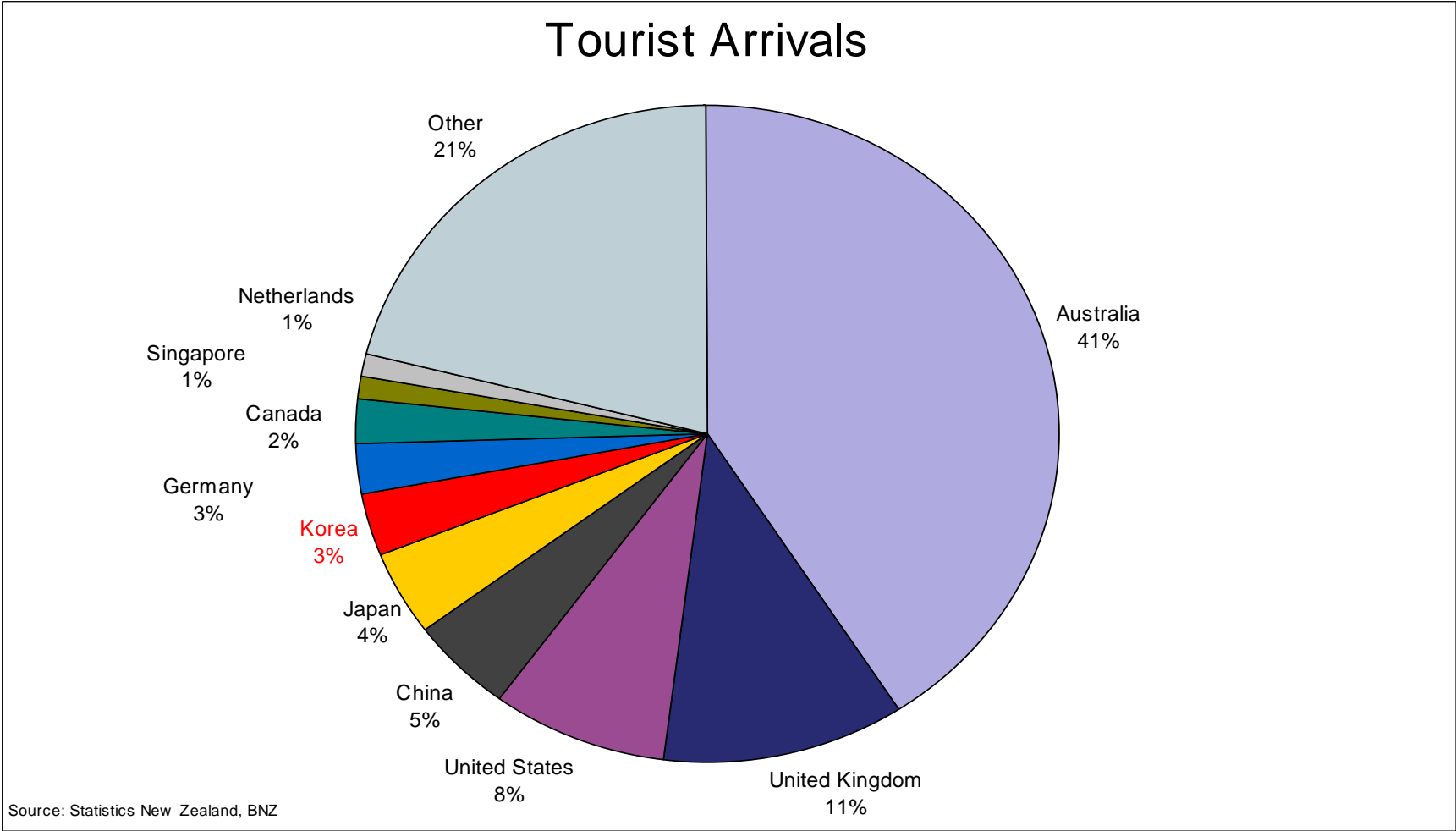
It Doesn't Get Much Worse



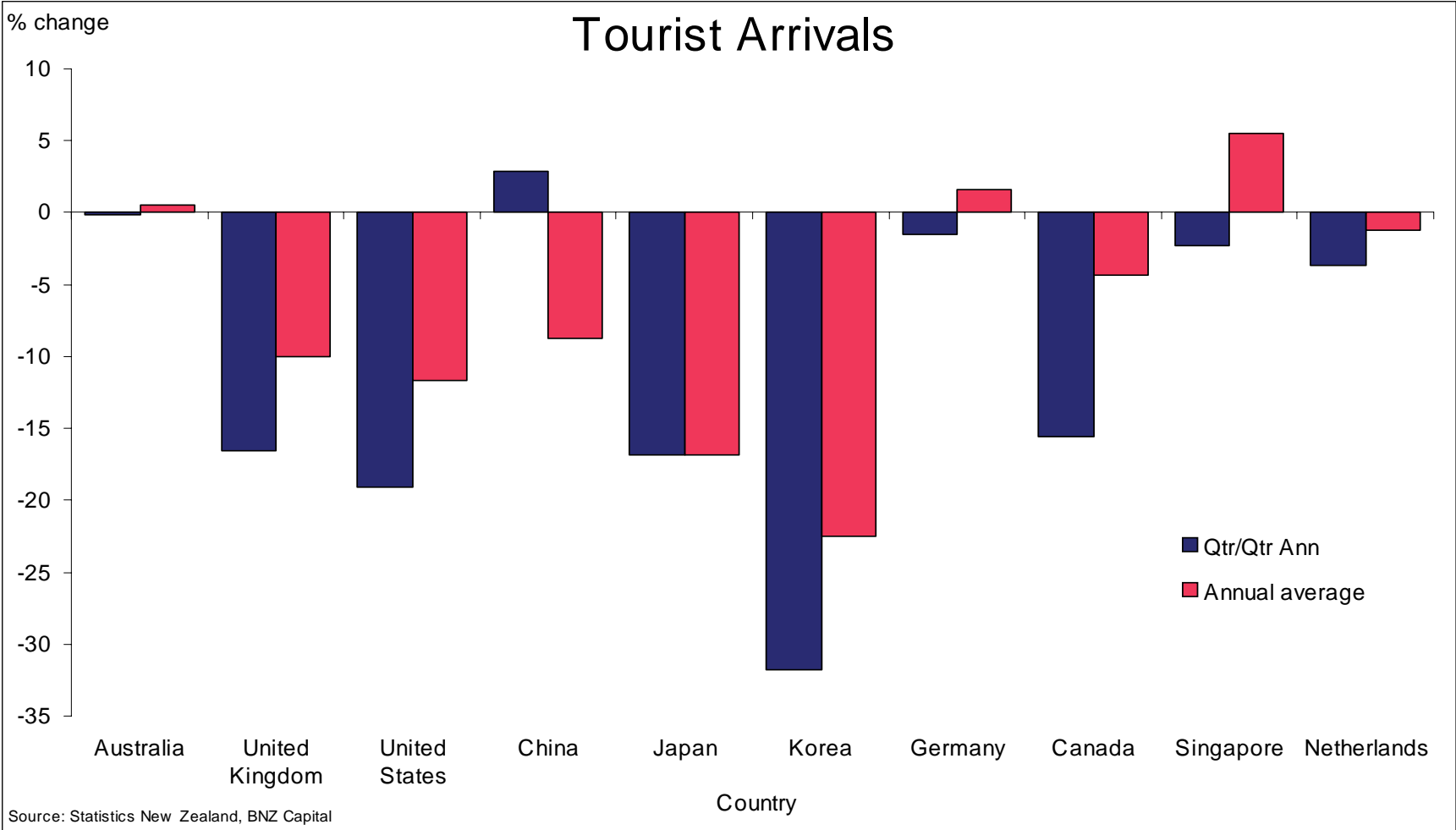
Visitor Slump Underway



In Order of Importance



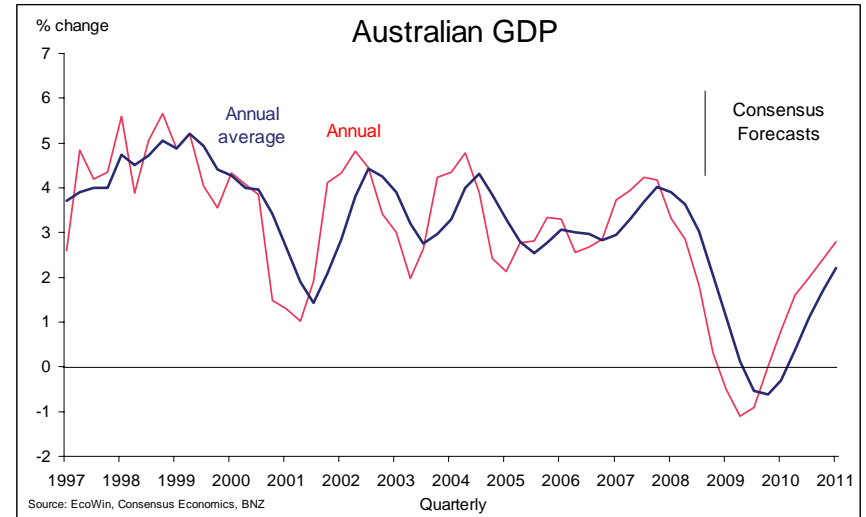
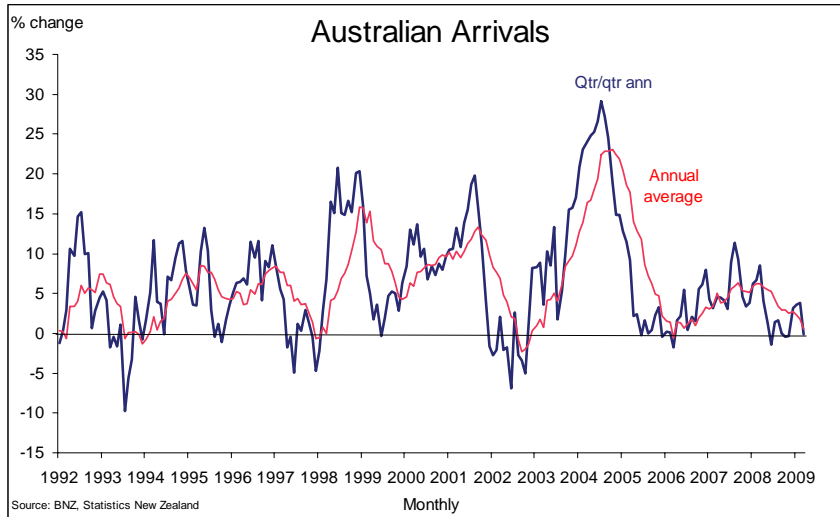
By Region



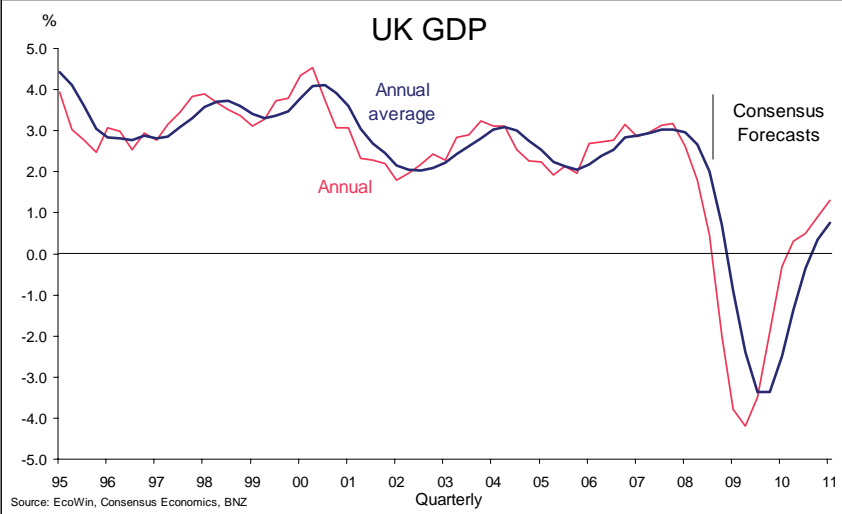
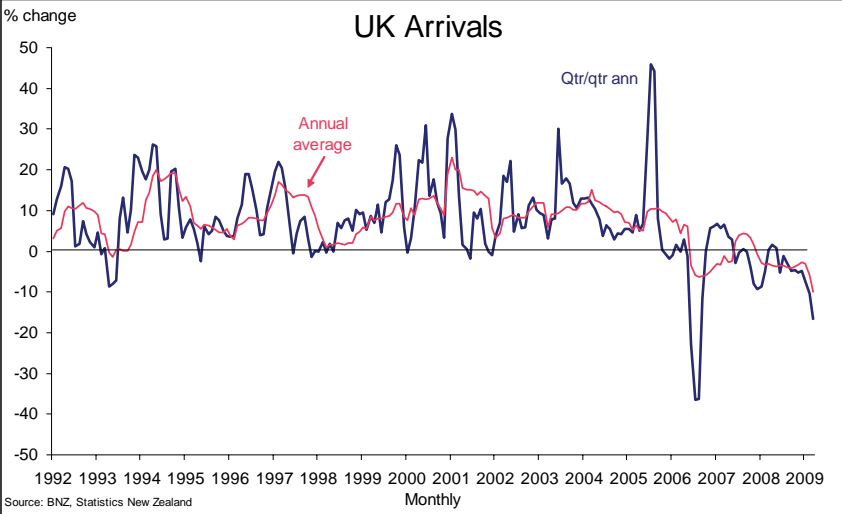
A Closer Look

Tourist Arrivals								
	% of total	Apr Qtr/Qtr %	Ann avg %	Growth Outlook				
				2007	2008	2009	2010	2011
Australia	40.8	-0.1	0.6	4.0	2.1	-0.3	1.7	2.9
United Kingdom	11.0	-16.5	-10.1	3.0	0.7	-3.0	0.5	1.8
United States	8.2	-19.1	-11.7	2.0	1.1	-2.8	1.7	3.1
China	4.7	2.9	-8.7	11.9	9.0	7.0	8.3	9.1
Japan	4.1	-16.8	-16.9	2.0	-0.7	-5.8	0.7	1.6
Korea	3.0	-31.8	-22.5	5.0	2.5	-3.0	3.5	4.8
Germany	2.6	-1.6	1.6	2.5	1.3	-4.5	0.5	1.6
Canada	2.1	-15.6	-4.3	2.7	0.5	-1.8	2.3	2.8
Singapore	1.2	-2.3	5.5	7.7	1.1	-4.7	3.2	5.4
Netherlands	1.1	-3.7	-1.2	3.5	2.1	-3.0	-0.1	1.4
Other	21.2							
Total	100.0	-7.4	-3.9	4.1	1.9	-1.7	1.9	3.2

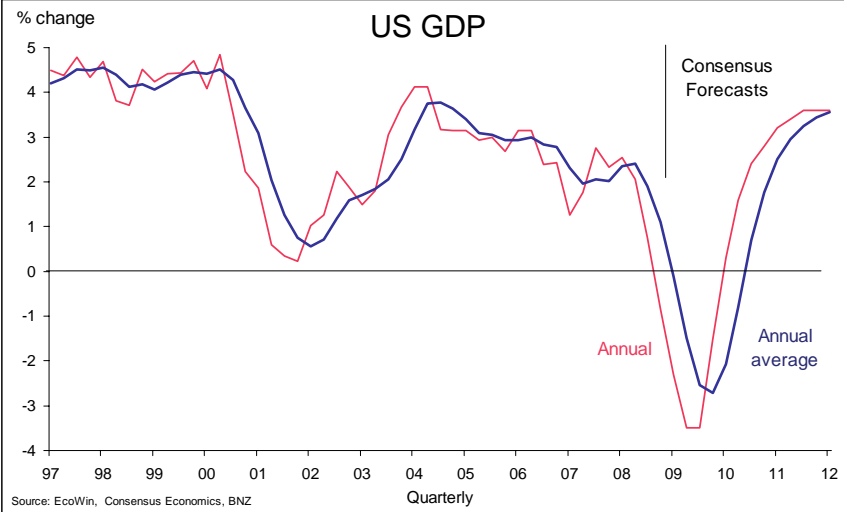
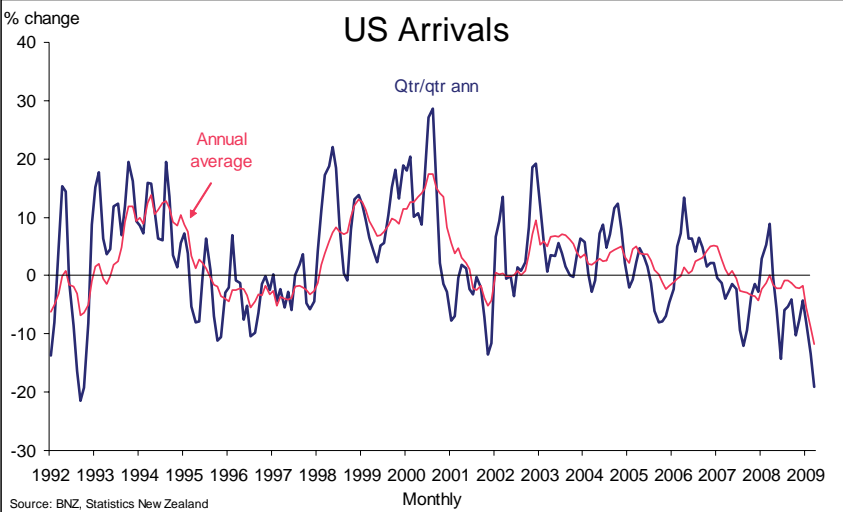
Australia



United Kingdom



United States



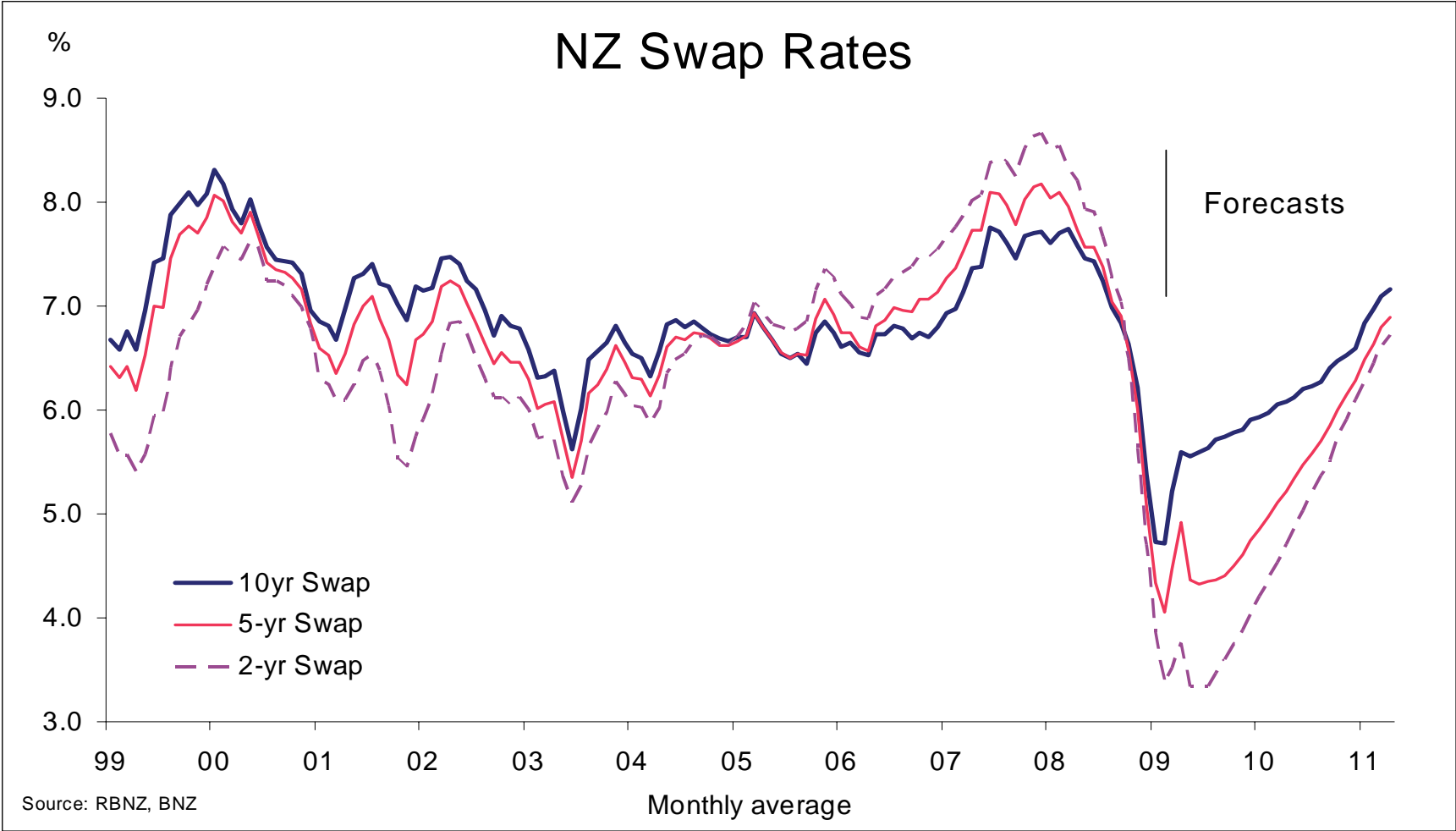
Green Shoots

- China recovering
- Asian Exports Up
- US confidence rebounds
- UK stabilises
- Europe and Japan awful

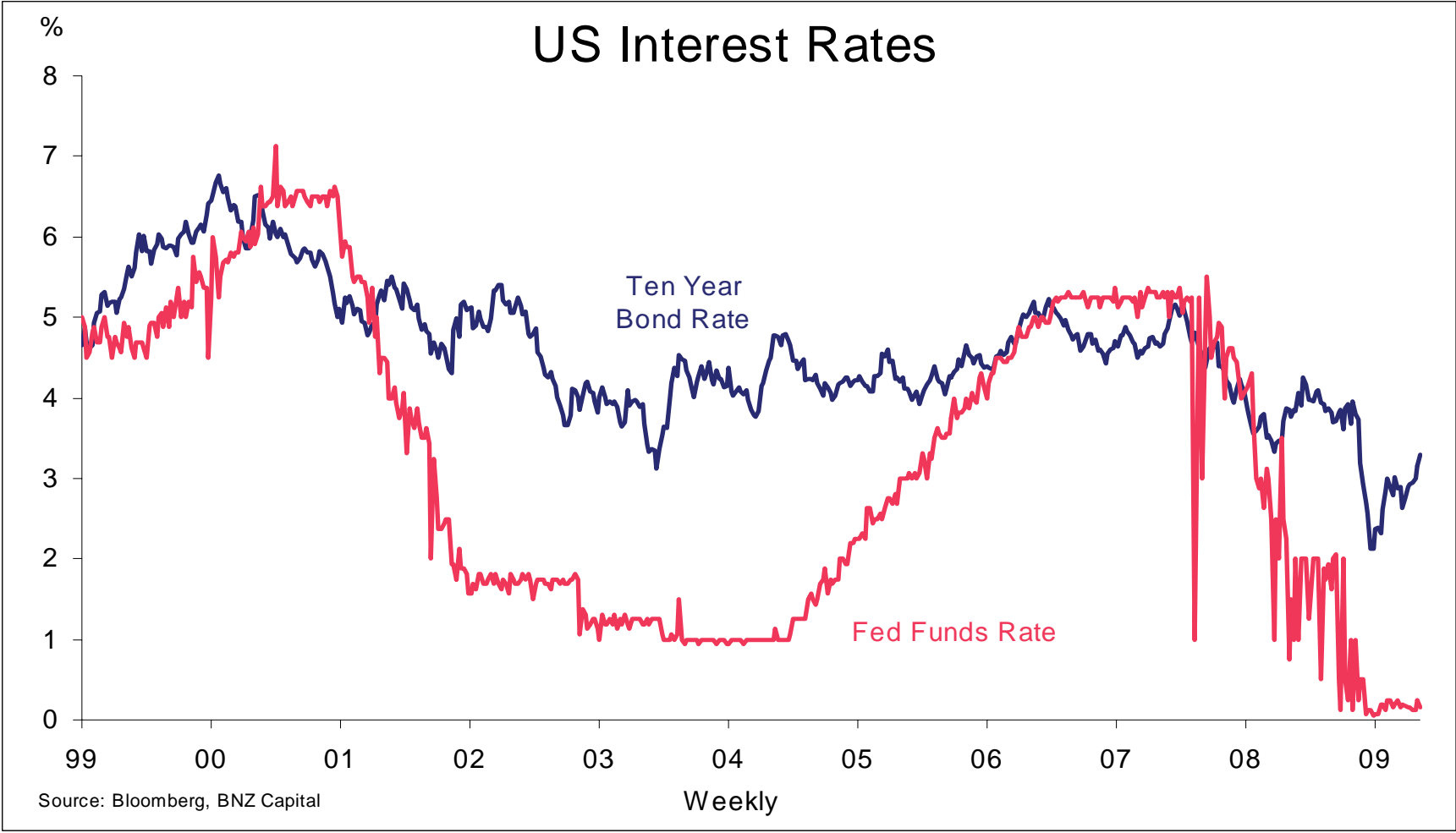
A Double Edged Sword

- Growth up
- Commodities up
- Equities up
- Interest rates up
- NZD up

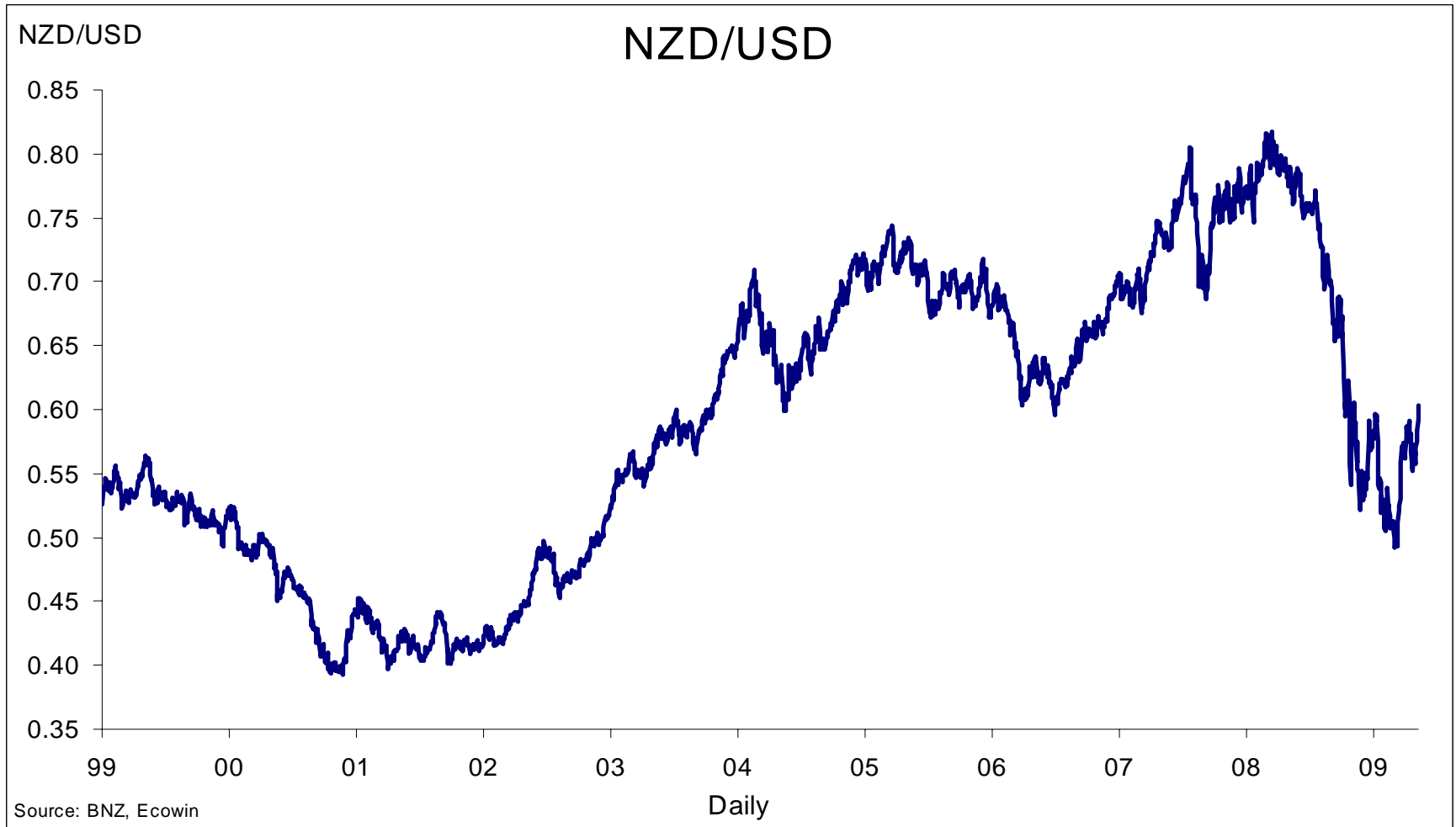
Beware the Yield Curve



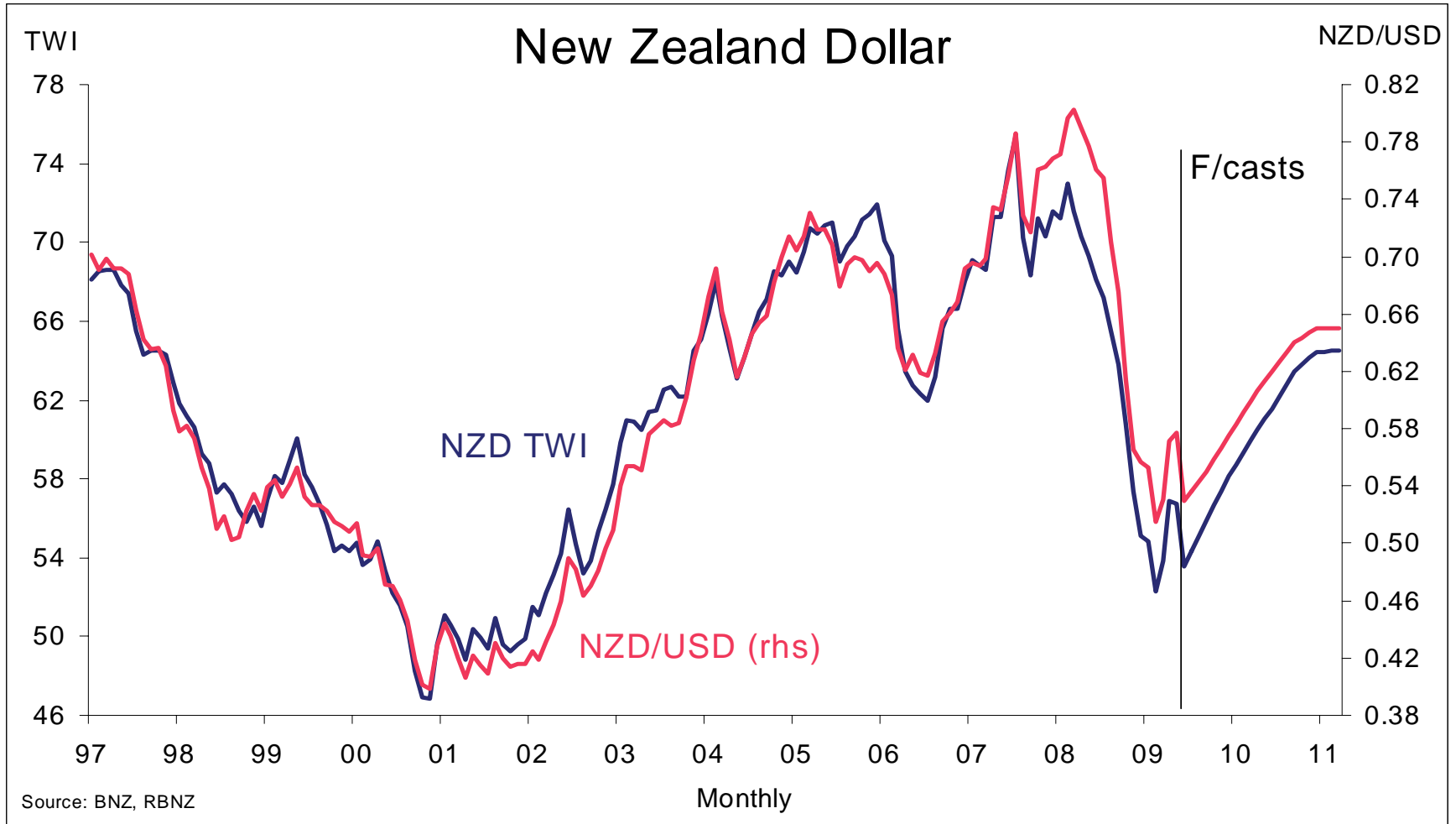
Driven By The US



And The NZD



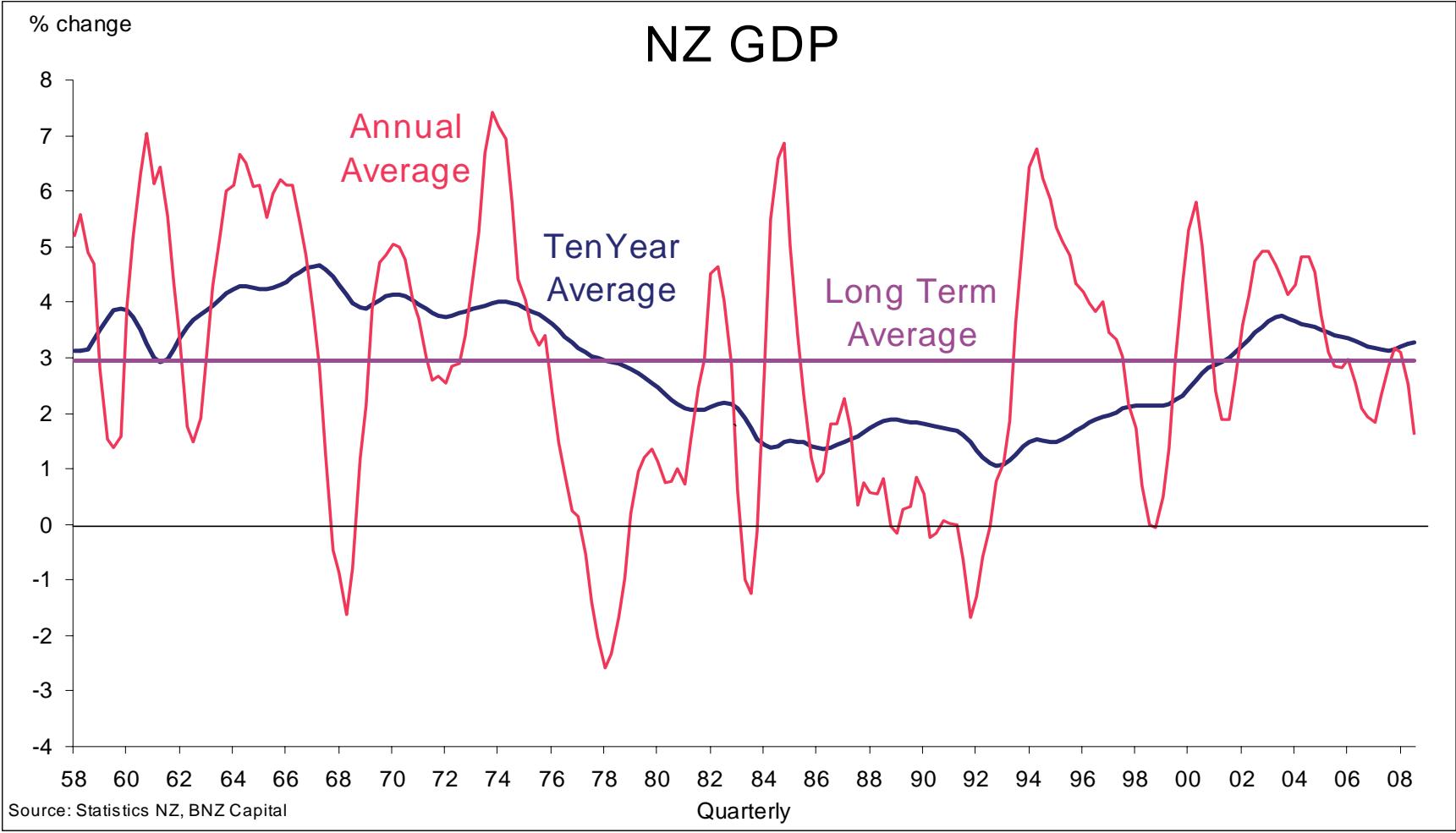
Which May Go Higher



Fundamentally Good

- Monetary policy remains orthodox
- Fiscal possibilities aplenty
- A sound banking system
- A great starting point
- The right export mix

Normal Not What Normal Was



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