

# Airfare costs softening NZ bookings – TECNZ

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**The high cost of airfares is softening bookings for next year although there will be plenty of demand for the upcoming peak season, according to Tourism Export Council of New Zealand.**



*NZ's challenge for this season is to lure back holiday and leisure arrivals. Image: Nguyen Hung, Pexels*

In its [August 2023 forecast](#), TECNZ expected an 80.4% recovery of annual visitor arrivals by the year ending June 2024 with just under 3.3 million coming to New Zealand, and a total recovery by June 2025 at close to 3.9 million.

“There is a slight softening we’re seeing with bookings due to ongoing high cost of flights so we’re being conservative,” TECNZ chief executive Lynda Keene told the *Ticker*.

“In saying that, demand is looking relatively strong for the upcoming season.”

In the year to June 2023, there were more than 1 million arrivals travelling for a holiday, a recovery of 52.8% compared to those travelling for the same purpose in 2019, and more than 938,000 visiting friends and relatives (VFR).

Out of a total of more than 2.5 million arrivals in the year to June, holidaymakers took a 41.6% share, significantly down on the proportion recorded in pre-Covid, and VFR had a 37% share. Those travelling for business accounted for 7.1%, followed by conference and convention delegates at 1.7% and education at 1.4%.

## Visitor by Purpose of Travel YE Jun 2023

Key characteristics of visitors									
Year ended June 2019–23									
Key characteristic	Year ended June 2023					Change 2022–23		Percentage % return against 2019	Percentage % share total arrivals
	2019	2020	2021	2022	2023	Number	Percent		
<b>Total visitor arrivals<sup>(1)</sup></b>	<b>3,889,798</b>	<b>2,919,122</b>	<b>186,385</b>	<b>309,950</b>	<b>2,537,399</b>	<b>2,227,449</b>	<b>718.6</b>		<b>2,537,399</b>
<b>Travel purpose</b>									
Holiday	1,999,559	1,482,546	23,668	50,895	1,055,565	1,004,670	1974.0	52.8%	41.6%
Visiting friends & relatives	1,076,934	844,037	108,009	175,044	938,640	763,596	436.2	87.2%	37.0%
Business	312,111	244,383	18,636	28,459	180,753	152,294	535.1	57.9%	7.1%
Education	70,172	53,286	2,249	2,313	34,848	32,535	1406.6	49.7%	1.4%
Conferences & conventions	78,709	62,526	545	1,959	43,716	41,757	2131.5	55.5%	1.7%

**YE Dec 2019**  
 Holiday 55%  
 VFR 30%  
 Business 10%  
 Education 2%  
 Conferences 3%



Source: TECNZ

“The challenge this season, 2023-24, is to regain holiday and leisure arrivals,” said Keene.

“To the year ending December 2019, holiday arrivals percentage out of total arrivals was 55% and VFR was 30%.”

She added that offshore travel partners and their clients were price sensitive, and global competition for visitors with disposable income was high.

“New Zealand is not necessarily at the top of the bucket list destinations. We as a country need to ensure we are delivering on providing the quality service levels we are known for this season,” said Keene.

“Last season, 2022-23, we knew there were creaks and groans with going from zero to hero and the restart was more difficult than expected for a variety of reasons.

“Let’s hope this season the weather is kinder and there are less disruptions so we can look with confidence to achieving our forecasted arrival targets.”

TECNZ’s forecast and election manifesto can be read [here](#).