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ASSOCIATION NEW ZEALAND

**Submission to the
Ministry of Transport on the
International Air Transport Policy Review
18 June 2012**

The footer banner is a dark blue horizontal strip. On the left is the Tourism Industry Association New Zealand logo. To its right is the website address and tagline. Further right is the 'Tourism Future 2011-14' logo. On the far right are the Twitter and Facebook social media icons.

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INTRODUCTION

1. The Tourism Industry Association New Zealand (TIA) is grateful for the opportunity to provide input into the review of international air transport policy. The Association has a diverse membership that also includes a number of international airlines and New Zealand airports. The submission made by TIA balances the views of its wider industry members as well as those of its airline and airport members.
2. TIA provided an earlier submission to the Ministry of Transport (MOT) in October outlining its position on most of the questions posed in this document. For that reason, this submission is largely unchanged from that paper. The paper is not a technical one in the sense that it is familiar with the complex workings of international air transport policy and legislation. Instead, the paper reflects an industry perspective on the current aviation situation and international air services policy in the future.
3. This paper is structured in accordance with the questions posed in the May 2012 discussion document prepared by the MOT. The Association has attempted to deal with each question as fully as possible, although some questions may have only been answered in brief due to a scarcity of comments provided by members or insufficient knowledge of the subject matter. For any questions relating to this submission, in the first instance, please contact TIA Policy and Research Manager Simon Wallace on 04 494 1842 or by e-mail to simon.wallace@tianza.org.nz.

COMMENT

Looking back

4. The past few years have arguably been the most challenging faced by the New Zealand tourism industry for many decades:
 - The Global Financial Crisis (GFC) has dominated the trading environment and continues to bite in several key visitor markets.
 - An appreciating New Zealand dollar has negatively impacted on visitor arrivals and visitor spend.
 - The fragile economic environment has been compounded by a series of natural disasters at home and abroad with the Christchurch earthquakes, the Japanese tsunami, the Queensland floods and the Chilean ash cloud all contributing to a negative impact on the whole industry.
 - Domestic tourism has been impacted by a combination of rising prices in New Zealand and the high NZ\$ making international travel more affordable for New Zealanders.
 - There have been challenges in attracting Chinese travellers to stay longer, spend more and travel more widely around New Zealand (currently the average stay for a visitor from China is three days with the dominant itinerary being the Auckland to Rotorua to Waitomo Caves to Auckland triangle route).

Looking forward

5. Despite these challenges, the tourism industry is looking to the future and it believes that it can continue to make a strong and valuable contribution to economic growth. Last year TIA ran a series of member road shows around the country with nearly 700 members attending. The purpose of these road shows was to identify the challenges facing tourism businesses and to identify solutions to meet these challenges. The information gained from the road shows along with further meetings with industry leaders helped TIA formulate the *Tourism Future Statement* <http://www.tianz.org.nz/nztourismfuture/> for the next three years.
6. The *Tourism Future Statement* outlines the industry's five priorities for action that it will work with an incoming government on from now until 2014. These priorities are:
 - Delivering value
 - Improving infrastructure
 - Making travel easier
 - Stimulating domestic tourism
 - Providing relevant information
7. Given New Zealand's distance from many of its key visitor markets, air connectivity is a crucial pipeline for New Zealand's visitor industry with the country almost wholly dependent on air links - more than 99% of international visitors arrive by scheduled air services. A recent paper completed by David Timothy Duval and titled *The Principles of Market Access: The Aeropolitics of Capacity Provision*¹ states:

"The vast majority of tourism arrivals to New Zealand are by air. It is thus in New Zealand's best interest to ensure that accessibility is maintained by forming Agreements (Air Services Agreements or ASAs) with States whose airlines are involved in global airlift and who can measurably contribute to visitor arrivals".
8. The key action for the tourism industry in relation to air connectivity as outlined in the *Tourism Future Statement* is one of *ensuring that air access to New Zealand is appropriate to meet potential demand*.

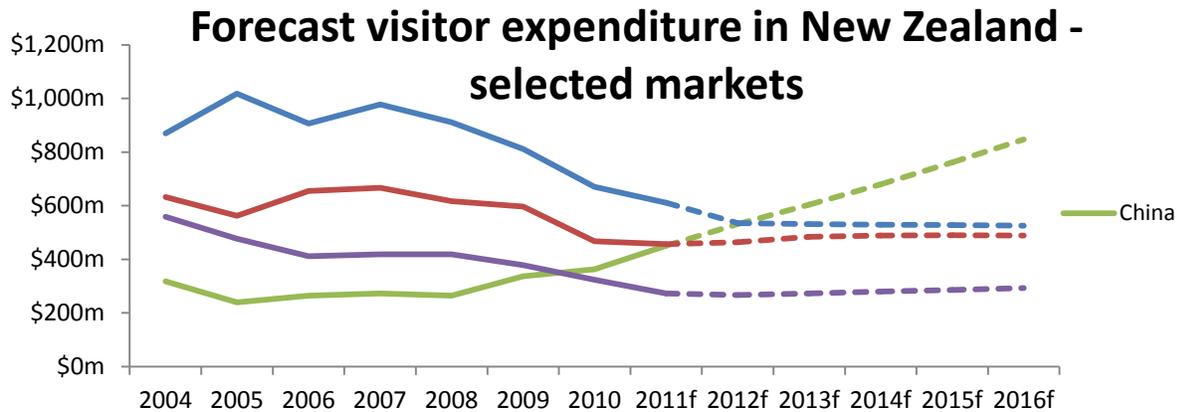
Forecasts

9. Updated tourism forecasts released by the Ministry of Economic Development (MED) in September 2011 serve to reinforce the importance of air connectivity in driving New Zealand's tourism growth. The forecasts point to China becoming New Zealand's second largest spending market in 2013 after Australia, with increases also occurring from south eastern Asian markets such as Singapore, Malaysia and Indonesia.
10. Between now and 2016 there is some significant shift in market composition forecast. The UK market is forecasted to decline from 8% of market share in 2012 to 7% in 2016. This is in contrast to the Chinese visitor market which is expected to move from 7% of market share in 2012 to 10% in 2016.

	Australia	UK	USA	China	Japan	South Korea	Singapore	India	Malaysia
2012f	44%	8%	7%	7%	3%	3%	1%	1%	1%
2013f	44%	8%	7%	7%	3%	3%	1%	1%	1%
2014f	44%	7%	7%	8%	3%	3%	1%	1%	1%
2015f	44%	7%	7%	9%	3%	3%	1%	1%	1%
2016f	44%	7%	7%	10%	3%	3%	1%	1%	2%

Market share of forecast international arrivals

- Based on the forecasts, the largest increase in visitor numbers are forecast to be derived from two markets. Australian visitor arrivals are expected to increase from 1,163,000 visitor arrivals in 2012 to 1,307,000 visitor arrivals in 2016. This represents a 12% increase. Chinese visitors are expected to increase by around 62% to 287,000 in 2016, up from almost 177,000 in 2012. The UK market is forecast to decline from around 212,000 visitors in 2012 to 204,000 in 2016, a 3% decrease over the period.
- In terms of expenditure, MED forecasts Chinese visitors will spend \$604 million in 2013, easily overtaking the expenditure of the UK. Australia remains our largest market by a considerable margin, with \$1.9 billion expenditure forecast for 2016.
- The next forecasts are due for release in October 2012.



This plot shows forecast visitor expenditure in four of New Zealand's main markets. Australia, by far the largest market, is not included.

Ministry of Transport Questions

OBJECTIVE

What should the objective of New Zealand's international air transport policy be?

14. International air services are essential to New Zealand's global connectivity. They facilitate tourism as well as trade and support the government's overall economic agenda. While the Association's focus is on inbound tourism, it is important to acknowledge that international airline services would not be economically sustainable without the more than two million trips made overseas each year by New Zealand residents.
15. As the tourism forecasts demonstrate, there has been a marked shift towards Asia over the past decade with significant increases in visitors coming from China, Singapore and Malaysia, as our traditional markets like the UK and the USA stagnate or decline, a trend that is likely to continue. The Association is noticing a large number of its broader membership is seeking to do business in the growing Asian markets. For many, it is early days but they are seeing commercial opportunities in the region.
16. The new focus on Asia means future air services agreements (ASAs) must focus on this region (but neither should they ignore the importance of traditional markets such as those in Europe and the United States). The previous international air transport policy statement was issued in 1998 at the peak of the Asian financial crisis and does not reflect the dynamic changes in the market that have occurred since then. A policy statement like the one issued in 1998 should also be more general in scope rather than picking markets at a given point in time.
17. As a demonstration of the importance of Asia, in the past few years Air New Zealand has added new routes from China as has China Southern. Extra capacity has been added by Jetstar from Singapore and Air Asia X from Malaysia, although unfortunately the Air Asia X Christchurch service ceased in May. Services have been reintroduced from Taiwan, now operated by China Airlines.
18. The advent of these new services has seen significant increases in visitor arrivals, especially from China, Singapore and Malaysia. In fact Malaysia is now New Zealand's tenth largest inbound market. Australia too has benefitted from an influx of Asian airlines, with a number of low cost carriers entering the marketplace. It does remain questionable, however, whether low cost carriers can sustain services at the fare levels currently being sold.
19. Despite the introduction of new services, some existing carriers have withdrawn from New Zealand in recent years. Taiwan based EVA Airways withdrew services from Taipei to Auckland in 2009 and Royal Brunei ceased its Bandar Seri Begawan to Auckland service in October 2011. These follow a stream of other significant carriers that have left New Zealand including United, Continental, Japan Airlines and Asiana. Meanwhile, other airlines seasonally adjust their services according to demand.
20. In short, TIA's view is the objective of New Zealand's international air transport policy should be one that supports current tourism and trade priorities as well as being consistent with New Zealand's wider economic interests. In the short to medium term, these interests lie more broadly in and around the Pacific Rim and particularly Asia.

APPROACH TO AIR SERVICES LIBERALISATION

What should New Zealand's approach to air services liberalisation be?

Should the basis of the policy continue to be putting into place the most open and flexible reciprocal arrangements possible?

Will there be situations where open skies arrangements are not in New Zealand's best interests? If so what would those situations be?

To what extent should the policy take specific account of the benefits that New Zealand owned and based airlines bring to the economy?

Will there be situations where it may be in New Zealand's best interest to allow a foreign airline to operate where these rights are not fully reciprocated in bilateral arrangements? Can extra-bilateral approvals (on an interim basis) bring benefits?

21. New Zealand's status as an island nation located a long way from many of its key markets demands a liberal approach to air services policy to ensure global connectivity. It could be argued that the current air services policy settings are already liberal as evidenced by the more than 30 ASAs that are currently in place with New Zealand.
22. The approach to air services liberalisation should also be one that is considered alongside other initiatives that positively influence travel and trade. For example, there could be scope to include ASAs as a 'tradeable' item in future FTA negotiations. A liberal air services policy would also include supportive visa policies (e.g. China) and seamless border processing like the SmartGate initiative between New Zealand and Australia.
23. At a New Zealand government level, much stronger alignment is needed between government agencies involved in the air services area, namely MOT, the Ministry of Foreign Affairs and Trade (MFAT), New Zealand Trade and Enterprise (NZTE), Immigration New Zealand (INZ) and Tourism New Zealand (TNZ). Importantly, these agencies also need to work more closely with industry than they have in the past and this means active consideration being given to involving industry players, like TIA, the airports and the airlines, in bilateral ASA negotiations.

Air New Zealand

24. A successful national carrier is an important contributor to New Zealand's economy, not only in the area of tourism, but also engineering, employment (Air New Zealand employs 11,000 people), aviation training, carriage of exports and as a large investor in marketing the country to the rest of the world. The airline also connects with New Zealanders internally.
25. For its part, Air New Zealand makes a significant and important contribution to tourism promotion at an international and domestic level, investing more in tourism marketing than any other organisation in the country. The airline's interests and those of the New Zealand economy as a whole are served by the success of the country as a visitor destination. The networks that Air New Zealand shares with its Star Alliance partners are also extremely valuable for the success of New Zealand as a popular visitor destination. The commitment

of the national carrier to New Zealand is arguably much stronger than that of foreign based airlines serving the country.

26. Air New Zealand plays a leading role in New Zealand Inc and the country's economic growth strategies. Provided the national carrier is not a liability to either the government or taxpayer (and there is no evidence there is), then it is important it remains centre stage.

Air New Zealand's network

27. While it is desirable to have a koru and Air New Zealand livery visible in key markets like the UK, ultimately it is the airline's decision to fly such routes. If the UK service is commercially viable and profitable, then there is no reason why Air New Zealand should not continue to fly to London.
28. Excluding the UK, the clear focus for the national carrier should ideally be on routes in and around the Pacific Rim that in the short to medium term are the most critical for growing inbound visitor markets. The links that Air New Zealand provides through the Star Alliance network to long haul points beyond Asia and the west coast of North America make the need to fly to distance markets in Europe less important in the long term.
29. With respect to Japan, it is important to note that Air New Zealand has retained its services (while Japan Airlines has pulled out) in spite of the series of shocks that have hit that market. This shows a commitment to the tourism industry in New Zealand and the importance of Japan as a long term inbound visitor market.

Foreign carriers

30. International airlines, like most businesses, operate in a globally competitive environment and together with the many FTAs that are now in place, there would be few circumstances to warrant protection for the national carrier. There does, however, need to be a level playing field and protection for Air New Zealand if a foreign airline is acting in an anti-competitive manner (TIA acknowledges this can be difficult to actually assess. As long as a carrier is performing services under what is permitted within an ASA, anti-behaviour can be difficult to claim). What this does do, however, is raise the issue of whether New Zealand should demand restrictions in some Articles within ASAs, even if this goes against the liberalisation trend.
31. Duval's comments in *The Principles of Market Access* are interesting in this regard. In discussing the impact of Emirates, he says:

"Air New Zealand's broader international interests could be impacted. From the perspective of end-to-end passenger traffic from key markets in Europe, for example, greater use by European visitors of Emirates' routings via Dubai and points in Australia could impact on Air New Zealand's European routes. The scenario this creates is one where traffic from our key markets could be carried by foreign carriers whose mission and mandates may not always have the New Zealand economy in their best interests".
32. Ideally, foreign based airlines should be putting as much economic value into New Zealand as they taking from it. Further rights should be considered only on the basis of non-stop or direct services as these are more likely to grow inbound visitor markets.

33. Duval makes some other interesting observations with respect to the role of Australian aviation policy that are useful in addressing air services liberalisation. He says:

“How might our policy with respect to capacity be aligned to Australia’s, if at all? Australia currently explores liberalised air service arrangements with other States only when it is deemed to be of sufficient interest to the economic well-being of Australia. Included within this policy mandate is the need to ensure Australian airlines are afforded reciprocal rights. New Zealand’s geographic position may require different considerations, however, and thus ensure the maximum opportunity for air services”.

34. There are a number of large carriers from relatively small economies (in terms of inbound visitor numbers) that service New Zealand, for example, Singapore Airlines, Thai Airways, Cathay Pacific and Emirates. Arguably, these carriers are beneficiaries of the bilateral frameworks that exist and ‘they take more from the equation’ than they give by funnelling New Zealanders out of the country and through their hubs to points in Europe and elsewhere, and similarly from larger source inbound markets via their hub. They may not actively promote New Zealand as a visitor destination although they do support existing trade relationships and the flow of goods and cargo.

Bilateral agreements

35. TIA believes ASAs provide the appropriate framework for airlines to make commercial decisions on whether to enter the New Zealand market. As noted, the impact that a new ASA and air service has on existing ASAs and air services needs to be carefully considered, especially when government intervention and incentives are involved.
36. In finding the right balance between seeking new opportunities for airlines to come here and cultivating existing relationships, the overriding consideration should be one that gives preference to markets that offer the most benefit to New Zealand in terms of tourism and trade opportunities. At the same time, maximising opportunities from those markets where existing national carriers are flying to New Zealand should be a priority, rather than risk diluting these markets.
37. Other than supporting and implementing the policy direction of the government, it should not be the government’s role to make judgments on what current or future services would be of most benefit to New Zealand. International airlines work in a competitive marketplace and ultimately prospective carriers make commercial decisions based on merit and that is the way it should remain. There is a counterpoint to this view which says the government should consider multiple scenarios that could be in the best interests of the New Zealand economy.

AIRLINE INVESTMENT

What policy should New Zealand follow regarding foreign airlines being designated to operate in New Zealand?

What level of New Zealand ownership is sufficient for international airlines to be able to exercise New Zealand traffic rights?

38. In line with the Association’s stated views on a globally competitive environment, TIA supports an open approach to both foreign investment in New Zealand airlines and the ownership of foreign airlines operating in New Zealand as long as strict rules are enforced

and anti-competitive behaviour is penalised. What needs to be found, however, is a balance between New Zealand's national interest and preserving the ability of Air New Zealand to operate alongside routes run by foreign airlines and their ability to grow inbound tourism. Other aspects of airline ownership have been dealt with at various points throughout this paper.

ELEMENTS OF AGREEMENTS

What elements should be included in New Zealand's model open skies agreement?

39. TIA's only comment here is one that says there could be benefits of treating each agreement (or ASA) on a piecemeal basis because the nature and dynamics of each market is very different. Air services agreements are not a 'one-size fits all' approach meaning that generic open skies agreements will not work in all situations.

THE FORWARD NEGOTIATING PROGRAMME

What should be the basis for determining the forward negotiating programme? Should there be a priority list or set of criteria? Are there specific areas where current arrangements, or lack of arrangements, are hindering the development of services?

What process should be in place for stakeholder involvement in setting the forward negotiating programme?

Should specific policies apply in the South Pacific?

What should New Zealand's approach to liberalisation through regional and multilateral processes be?

40. TIA's view is that the forward negotiating programme for air services agreements (ASAs) does not need to extend to any new countries. Many of the 30 ASAs already in place have not been picked up and are probably not likely to be. This means that going out and negotiating new ASAs would appear to have little value. Similarly, there is scant evidence to justify developing new ASAs with markets such as Poland, Qatar, Israel and Saudi Arabia (as noted in the MOT question paper) when actual and forecast visitor arrivals from countries such as these are negligible and they are not earmarked as future growth markets for tourism. An example where this has occurred is the bilateral with the United Arab Emirates (UAE). New Zealand has opened up this market but there has been little or no benefit for inbound tourism to the country as a result of this bilateral.
41. The Association sees the forward negotiation programme linking strongly with trade objectives and the Free Trade Agreements (FTAs) New Zealand has with a number of countries, especially those in the Pacific Rim. These countries include China, India, Malaysia, Hong Kong and Thailand as well as the Trans Pacific Partnership (TPP) involving Singapore, Brunei and Chile. Russia, too, is a rapidly developing big economy with which New Zealand is also making progress on an FTA. Although trade objectives may not always run in parallel with tourism objectives, trade agreements can be the catalyst for the development of air services to and from New Zealand that in turn lead to growth in tourism.
42. Better managing the portfolio of current ASAs is also a position preferred by TIA with a particular focus on countries that are exhibiting the best growth potential and commitment to

service New Zealand. Crucially, there should be a focus on those ASAs that offer the best prospect of non-stop air services as these are more likely to grow markets more quickly, as we have seen with China.

43. A handful of countries are showing emerging tourism potential for New Zealand that are not currently served by non-stop air services. India and Brazil are two markets that come to mind immediately, but within the ASEAN region, countries like Indonesia and the Philippines and even the states of Indo-China offer prospects for growth.

China

44. To meet MED forecasts of growth from China of around 62% between now and 2016 (from 177,000 to 287,000 visitors annually) the air services agreement with China has now been renegotiated so that New Zealand and Chinese carriers can fly up to three times daily between each country. Interestingly, Australia's comparative forecasts show much less growth from China (34%) but with many more airlines and much more capacity. MED forecasts also do not differentiate mono or dual destination traffic. Dual destination traffic will be covered with the growing capacity on the Trans Tasman by third and fourth freedom carriers.

India

45. The Indian market has shown steady, if not spectacular growth, over the past decade with annual arrivals to the year ended April 2012 just over 29,000. This growth is now beginning to level off and it is widely felt in the industry that in the absence of a non-stop service, Indian visitor arrivals will remain static despite MED forecasts that show the Indian market growing by 35% between 2012 and 2016 (from around 33,000 visitors to 45,000 visitors annually). Australia, meanwhile, is also forecasting growth in the Indian market of about 35% between 2012 and 2016 and it currently has direct services.
46. The Indian market is difficult for airlines to maintain non-stop services with limited aircraft capability and extremely low yields. The advent of new generation long haul aircraft may signal the introduction of non-stop services between Auckland and Mumbai, but this will also be dependent on an effective ASA being in place and airlines judging the route to be commercially viable. Critically, the Indian visitor market is an attractive one for New Zealand tourism businesses since Indians prefer to travel in the months of April, May and June, providing a boost for tourism businesses in the shoulder to low seasons.

Indonesia

47. This market was served by non-stop services with Garuda Indonesia and Air New Zealand flying to Denpasar (Bali) and the reintroduction of services this year will be a boost. Indonesia is a market that has been growing steadily in the past few years with arrivals to the year ended April 2012 close to 12,000 and above visitor numbers from Brazil.
48. Indonesia is also a strong outbound market with short-term New Zealand-resident departures exceeding 18,000 in the year ended April 2012, more than South Korea and Japan. A strong characteristic of the Indonesia market is the visiting friends and relatives (VFR) and export education categories.

Philippines

49. TIA understands that an ASA has been in place with the Philippines for a number of decades, but for a number of reasons (most notably the parlous state of the Philippines economy), flights have not been taken up. In the year ended April 2012, 8,500 short-term visitors arrived from the Philippines. Along with Indonesia and India, it is one of only three Asian countries with which New Zealand does not have a non-stop or direct service (China Airlines flies from Taiwan to Auckland via Brisbane).
50. In the opposite direction, more than 15,000 New Zealand residents travelled to the Philippines in the year to April 2012. TIA believes the tourism potential from the Philippines is potentially untapped. Along with its valuable export education potential, like Indonesia, this may be a destination that is under-served, although again it needs to be acknowledged that capability into the Philippines from Australia is reasonable.

Brazil

51. As South America's most populous nation and as one of the world's fast growing economies, Brazil is clearly an emerging visitor market for New Zealand, but growth from this Latin state has been subdued over the past few years. In the year ended April 2012, close to 11,000 Brazilians arrived here, many as working holiday makers. Like India, the availability of new aircraft may represent the best opportunity to grow the Brazilian market, although it is doubtful the 787-9 for instance, could fly non-stop from Auckland to Sao Paulo.
52. The current ASA with Brazil (as it is with Argentina) is tightly regulated and would need refinement to allow additional capacity. Currently Lan Chile operates non-stop Auckland-Santiago services but Aerolineas Argentinas is terminating its Auckland to Buenos Aires service from 1 July 2012.

Other countries

53. Beyond the Pacific Rim and India, TIA believes New Zealand is well served by the availability of airline connections. With non-stop services more likely to grow traffic, New Zealand's geography means the scope to develop further services is limited, apart from a possible eastern USA service and a Sao Paulo service as already noted.
54. As TIA has repeated in this submission, non-stop air linkages provide the best opportunity to grow inbound (and outbound) tourism together with an airline showing a commitment to non-stop services. The downside to the creation of new air services such as these is that unless there is discernible growth in these markets, existing airlines may be impacted.
55. The Association believes some consideration should be given to the issue of larger ports (e.g. Auckland) versus smaller ports. Auckland will always be New Zealand's major international gateway, but some thought must be given to a regional strategy that may, for example, encourage foreign airlines to serve Christchurch, Queenstown or Wellington. Australia is currently doing this with more of its remote ports.
56. TIA believes that where existing services (often via an intermediate hub or transit point) are threatened by the introduction of new airlines, government investment should be carefully considered to avoid the loss of established carriers and ensure that a level playing field occurs. The government should not be in the business of picking winners and using

taxpayer money in the form of cash or financial incentives to lure new airlines when existing carriers have not been accorded the same treatment. Commercial forces should be at play in such situations.

57. The view of the Association is that while improved bilateral agreements and ASAs are fundamental to allowing opportunities to grow routes, and the government has an integral role in making these happen, market forces have to justify and sustain new air services, and the airlines themselves have to judge that. There needs to be close scrutiny on how government/airport/tourism incentives are used to influence these judgments, and the economic impact on existing airlines and routes is an area that needs to be clearly understood.
58. There are a number of large carriers from relatively small economies (in terms of inbound visitor numbers) that service New Zealand, for example, Singapore Airlines, Thai Airways, Cathay Pacific and Emirates. Arguably, these carriers are beneficiaries of the bilateral frameworks that exist and 'they take more from the equation' than they give by funnelling New Zealanders out of the country and through their hubs to points in Europe and elsewhere, and similarly from larger source inbound markets via their hub. They may not actively promote New Zealand as a visitor destination although they do support existing trade relationships and the flow of goods and cargo.
59. TIA believes ASAs provide the appropriate framework for airlines to make commercial decisions on whether to enter the New Zealand market. As noted, the impact that a new ASA and air service has on existing ASAs and air services needs to be carefully considered, especially when government intervention and incentives are involved.
60. In finding the right balance between seeking new opportunities for airlines to come here and cultivating existing relationships, the overriding consideration should be one that gives preference to markets that offer the most benefit to New Zealand in terms of tourism and trade opportunities.
61. Other than supporting and implementing the policy direction of the government, it should not be the government's role to make judgments on what current or future services would be of most benefit to New Zealand. International airlines work in a competitive marketplace and ultimately prospective carriers make commercial decisions based on merit and that is the way it should remain.

Conclusion

62. The key points made in this paper are:

- New Zealand's geography and distance from key visitor markets means international air connectivity is a crucial pipeline that will directly influence tourism growth.
- Air access to New Zealand should be appropriate to meet potential demand.
- Growth in inbound visitors is forecast to come from Asia and the Pacific Rim meaning the focus on future air services agreements should be with this region.

- Development of international air services should be consistent with tourism and trade priorities and New Zealand's wider economic interests.
- The forward negotiating programme for air services agreements (ASAs) should not extend to any new countries unless a real market opportunity is identified with a country where no ASA exists.
- There should be a focus on ASAs that offer the best prospect of non-stop air services as these are more likely to grow markets more quickly.
- Services that may be able to sustain services that are currently not served or underserved include China, India, Indonesia, the Philippines and Brazil.
- Government investment in new airlines should be carefully considered to avoid the loss of existing airlines.

63. The outcomes of this review will be critical for New Zealand's tourism industry. The review will influence and shape the country's inbound visitor markets in the short, medium and long term. For this reason, TIA has appreciated the opportunity to be involved in this work and looks forward to further involvement before the policy is adopted.

Simon Wallace
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