AUCKLAND AIRPORT: SOFTER CHINESE ECONOMY WILL NOT DERAIL TOURISM GROWTH

News / Airports / Routes

Auckland Airport says China's economic slowdown is a temporary blip in a long-term pattern of growth in emerging tourism markets.

China is the airport's fastest-growing source of passengers but there have been signs that its economy is coming off the boil.

Auckland Airport chief executive Adrian Littlewood said it was important not to focus on short-term movements.

"It was only a month or two ago we were worried about Greece and what that might do to Europe.

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"We need to stand back and think the long-term trends are very positive for tourism market growth."

A rapidly growing middle class was emerging in a number of countries around the world, with increasing access to better quality, more affordable air travel, Littlewood said.

While there might be bumps over the coming weeks or months as a result of a downturn in China, the prospects were still good and the airlines were positive about a good summer ahead, he said.

Low oil prices made a big difference to New Zealand, he said.

"When you are a long way away, fuel matters more. When you are travelling to New Zealand fuel matters a lot."

He said the drop in fuel prices and airlines' use of new aircraft that were 20 percent more efficient than the planes they replaced made travel to New Zealand more affordable.

Auckland Airport has reported a profit after tax for the year to June 30 of NZ$223.5 million, up 3.5 percent. Its underlying profit after tax increased by 3.8 percent to NZ$176.4million.

Total passenger movements through the airport were up 5 per cent year-on-year to 15.8 million.

International passenger numbers increased 5.7 percent to 8.1 million and domestic passenger numbers lifted 4.2 percent to 7.2 million.

Tourists coming to New Zealand are starting to spend more time and money here.

New Zealand was starting to become a single destination trip for more travellers, Littlewood said.

Tourists from high-growth markets such as China, India, Indonesia and the Philippines had previously added New Zealand stops to other holidays.

But now more were visiting New Zealand as a standalone holiday.

Chinese travellers' average holiday stay had increased from three-and-a-half to eight days over the past couple of years, he said.

"Our belief is that is directly correlated with the new direct services from China to New Zealand. We hope to see that happening with other markets."

India would be a strong growth market in future, he said.

Littlewood said Auckland Airport was confident about the long-term future and the plans it and Tourism New Zealand had were paying off.

The final dividend paid to shareholders for the year is 7.3 cents per year, delivering a total dividend for the 2015 year of 14.6 cents.

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