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Department of Industry
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Impact

A MONTHLY FACT SHEET ON THE ECONOMIC IMPACT OF TOURISM AND THE LATEST VISITOR ARRIVAL TRENDS

Latest Inbound Visitor Movements

Note: The figures below are based on modelled estimates of short-term visitor arrivals for August 2004 and final figures for previous periods.

- In the month of August, the ABS estimates that a total of 403 700 international visitors arrived in Australia. This is an increase of 41 500, or 11.5%, over August 2003.
- The increase partly reflects the low arrival numbers last year, due to the effects of SARS and the war in Iraq.
- Strongest growth was achieved from China (up 38.8%), which partially reflects the SARS effect on last year, as well as the continuing strong growth of the Chinese economy.
- New Zealand (up 31.4%) continues to provide strong growth, helped by greater capacity and competition on the trans-Tasman aviation routes.
- Japan (up 13.9%) also continues to show the double-digit growth experienced in the previous four months, reflecting the negative SARS effects last year and the continuing improvement of its economy.
- Our other largest source markets, the UK (up 3.3%) and the USA (up 6.1%), showed growth, albeit more modest. However, these markets were not as greatly affected by SARS and the Iraq war last year.
- The cumulative arrivals' figures show that in the eight months January to August, total arrivals are up by 409 300 visitors, or 14.2% over the same months last year.
- All major markets are contributing to this growth, except Singapore (down 1.7%). Arrivals from Singapore fell following the terrorist attacks in the USA in September 2001, and have continued to fall since then.
- The month-on-same-month-last-year growth rates, while still in double-digits, are gradually falling, as we move away from the negative effects of SARS on last year's arrivals. Growth rates in the remaining months of 2004 are expected to be lower than seen up to now.
- The continuing strength of the global economy in most regions will assist growth, although the increase in oil prices could adversely affect long-haul destinations such as Australia.

Major Statistical Publications

Recent Releases

- Travel by Australians, Quarterly results of the National Visitor Survey, June Quarter 2004, TRA, 10 September 2004.
- Overseas Arrivals and Departures Australia, July 2004 final, (Cat No 3401.0), ABS, 14 September 2004.
- Short-term Visitor Arrival Estimates, Australia, August 2004 (Cat No 3401.0.55.001), ABS, 16 September 2004.

Upcoming Releases

- Tourism Expenditure by domestic visitors in Australian regions, 2001, 2002, 2003, TRA, 22 September 2004.
- International Visitors in Australia, Quarterly results of the International Visitor Survey, June quarter 2004, TRA, 23 September 2004.
- Tourist Accommodation Australia, June Quarter 2004, (Cat No. 8635.0), ABS, 30 September 2004.
- Combined annual results of the National and International Visitor Surveys 2003, TRA, 1 October 2004.
- Overseas Arrivals and Departures, August 2004 final, (Cat. No. 3401.0), ABS, 14 October 2004.
- Short-term Visitor Arrival Estimates, Australia, September 2004 (Cat No. 3401.0.55.001), ABS, 18 October 2004.

OVERSEAS VISITOR ARRIVALS (ABS Catalogue numbers 3401.0.55.001 and 3401.0)

	% CHANGE ON PREVIOUS YEAR			AUG (e)	JAN-AUG (e)	YEAR 2003
	AUG (e)	JAN-AUG	2003			
Japan	13.9	20.7	-12.3	65 700	461 300	627 700
China	38.8	59.0	-7.3	16 800	163 100	176 100
Hong Kong	-	-	-14.3	-	-	129 300
Korea	-3.9	5.0	9.3	14 900	139 600	207 300
Taiwan	-25.5	22.5	-10.0	8 200	70 900	87 700
Indonesia	1.7	2.2	1.0	6 000	55 900	90 300
Malaysia	12.9	23.1	-2.1	13 100	106 200	155 600
Singapore	2.0	-1.7	-11.7	15 500	146 900	253 400
Thailand	-10.2	8.2	-11.5	5 300	54 000	73 200
Other Asia	-	-	-0.4	-	-	116 200
UK	3.3	3.9	4.7	38 100	400 700	672 800
Germany	-7.2	1.3	2.3	10 300	84 200	137 900
Other Europe	-1.4	8.8	-0.4	27 900	250 000	401 300
USA	6.1	3.6	-2.9	33 200	293 300	422 100
New Zealand	31.4	26.5	6.2	95 900	645 200	839 100
Rest of World	-	-	-0.6	-	-	355 900
Total	11.5	14.2	-2.0	403 700	3 294 300	4 745 900

e modelled estimates - not available

TOURISM PROFILE

Data updated on this page since the previous issue is printed in **bold italics**

ECONOMIC IMPACT OF TOURISM

Sources:

ABS Catalogue No. 5249.0 "Tourism Satellite Account: Australian National Accounts 2002-03".
BTR Tourism Research Report, Vol 5, No 2, 2004.

Directly in 2002-03:

- Tourism consumption amounted to \$73.3 billion, an increase of 3.0% over 2001-02. International tourism accounted for 23% and domestic tourism 77% of tourism consumption.
- Tourism directly accounted for 4.2% of expenditure on Gross Domestic Product (GDP) and 3.8% of Gross Value Added (GVA).
- Tourism was directly responsible for the employment of 540,700 persons (5.7% of all those employed), an increase of 1.3% over 2001-02.
- International visitors to Australia consumed \$16.7 billion worth of products, a decrease of 2.4% on 2001-02. This was 11.2% of total export earnings.

Indirectly in 2001-02:

- Tourism indirectly created an additional 3.8% of total GDP and 4.1% of GVA.
- Tourism indirectly resulted in a further 379,700 jobs.

OTHER

Sources: Various ABS and TRA publications

DOMESTIC TOURISM

In the June quarter 2004:

- **Residents aged over 15 years took 19.0 million overnight trips in Australia, up 2.8% on June 2003.**
- **Residents spent 67.0 million nights away from home, a fall of 0.3% on the same quarter in 2003.**

In the Year Ending June 2004:

- **Residents aged over 15 years took 74.4 million overnight trips in Australia, down 1.1% on June 2003.**
- **Residents spent 295.9 million nights away from home, a fall of 2.3% on the same period in 2003.**
- **Overnight and day visitors spent \$50.8 billion, a decrease of 3.4%. (TRA)**

INTERNATIONAL OUTBOUND TOURISM

- In 2003, 3 388 000 Australians visited overseas, a decrease of 2.1% on 2002.
- **In July 2004, 379 500 Australians visited overseas, an increase of 28.0% on July 2003. (ABS)**

INTERNATIONAL INBOUND TOURISM

In the March Quarter 2004:

- 1.2 million international visitors aged over 15 stayed a total of 41.3 million nights. This was an increase of 7.5% in visitors and 17.3% in visitor nights compared to the March quarter 2003.
- International visitors spent \$3.6 billion on Australian products (excluding pre-paid packages and international airfares). (TRA)

In the Year Ending March 2004:

- 4.5 million international visitors aged over 15 stayed a total of 125.2 million nights. This was an increase of 1.0% in visitors and 4.3% in visitor nights compared to the year ended March 2003.
- International visitors spent \$11.5 billion on Australian products (excluding pre-paid packages and international airfares), an increase of 0.7% on year ended March 2003. (TRA)

HOTELS AND MOTELS

In the March quarter 2004:

- Room nights occupied were up 8.7% on the March quarter 2003.
- Average room occupancy rate rose to 61.6% up from 59.1%. (ABS)

In 2003:

- The number of room nights occupied in hotels, motels, guesthouses and serviced apartments increased by 5.0% to 44.2 million.
- Yield (Takings per room night available) was \$71.7, up 5.8% on 2002.
- Average room occupancy rate was 60.1% (58.7% in 2002).

TOURISM BUSINESSES

- In 1998, the number of businesses in tourism related industries was 353 473. Businesses with fewer than 20 employees accounted for 91% of these. (TRA)

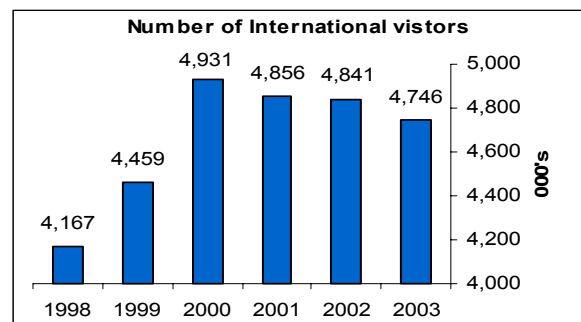
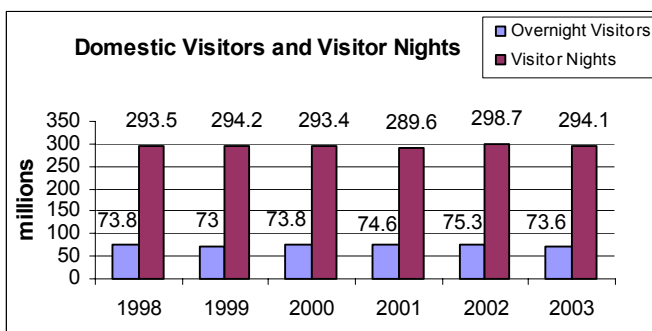
NEW INVESTMENT IN HOTELS AND MOTELS

- From 1996-97 to 2002-03 the value of building work done in hotels and similar establishments was \$1 000m, \$1 052m, \$1 233m, \$1 213m, \$483m, \$478m and \$696m respectively. (ABS)
- In the March quarter 2004, the value of work done was \$179.4m, up 17.5% on the March quarter 2003. (ABS)

RESEARCH AND DEVELOPMENT EXPENDITURE IN TOURISM

- **The ABS estimates that in 2002-03, R&D expenditure with a tourism objective totalled \$22.7 million. (ABS)**

TRENDS



LONG RANGE FORECASTS (Tourism Forecasting Council, April 2004)

International visitors from all markets:	4.7 million in 2003 to 8.7 million in 2013, with 6.2% average annual growth for this period
International visitors from Asia:	1.9 million in 2003 to 4.2 million in 2013, with 8.1% average annual growth for this period
International visitors from Europe:	1.2 million in 2003 to 1.9 million in 2013 with 4.5% average annual growth for this period
International visitors from New Zealand:	0.8 million in 2003 to 1.2 million in 2013 with 3.3% average annual growth for this period
International visitors from North America:	0.5 million in 2003 to 0.9 million in 2013 with 6.0% average annual growth for this period
International visitors from rest of world:	0.2 million in 2003 to 0.3 million in 2013, with 4.8% average annual growth for this period
Domestic visitor nights:	294 million in 2003 to 325 million in 2013 with 1.0% average annual growth for this period

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