



Update of forecast scenarios for passengers and cargo

June 2024

Contributing agencies:



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MINISTRY OF TRANSPORT



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Air passenger arrivals – key assumptions & developments

New Zealand's border has been fully open since August 1st, 2022.

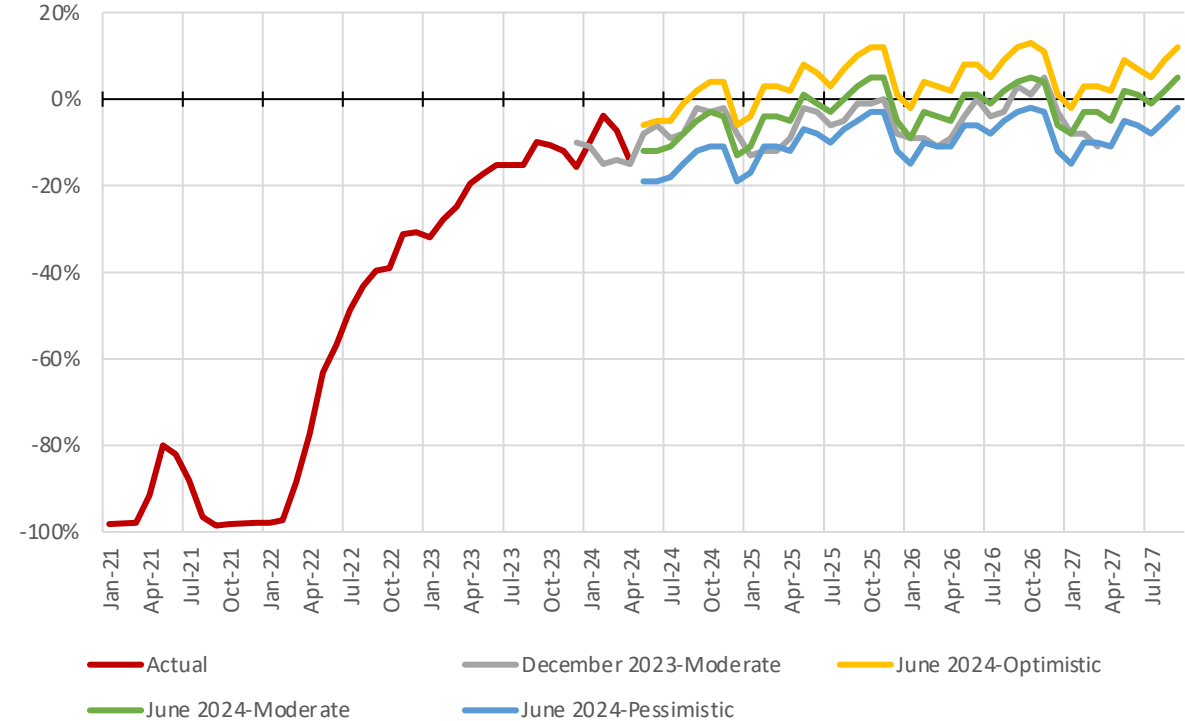
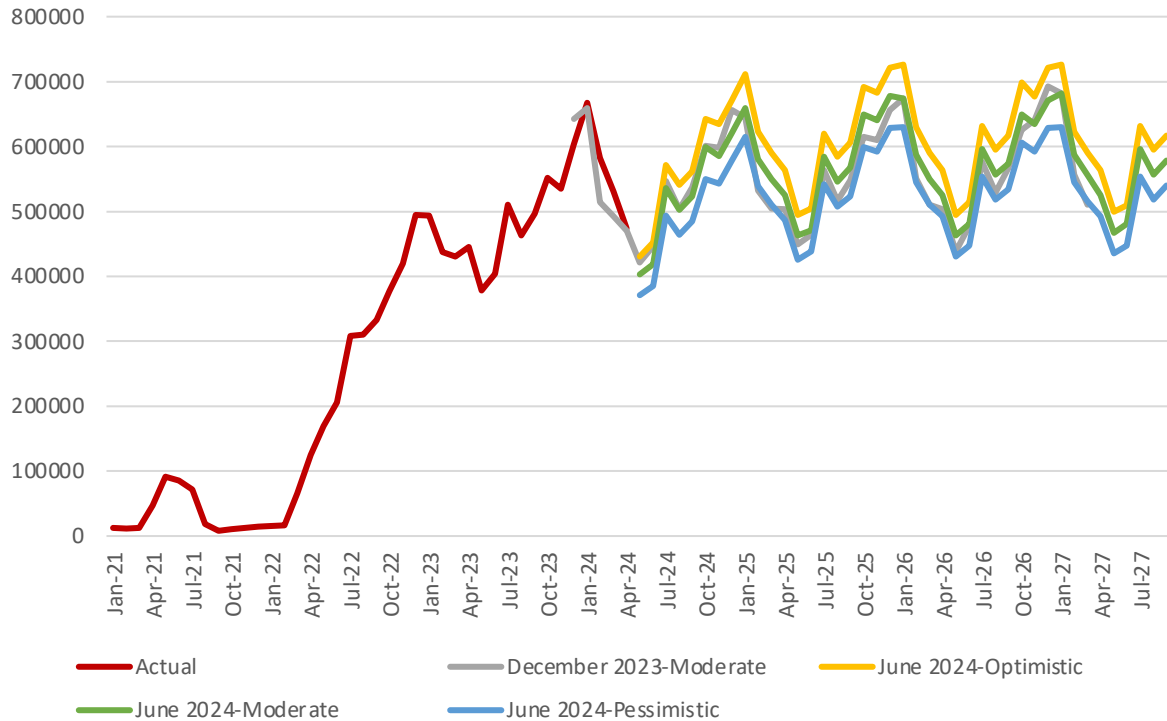
For each of the scenarios,

- Visa/airline data has been used to map the historical proportions.
- Airline schedules are now available for the Northern Summer Schedule which runs from 27 March 2024 till 29 October 2024.
- Seasonality based on historic trends have been incorporated into forecast.



Updated air passenger scenarios

- The updated June 2024 Moderate scenario reflects the travel demand looking towards summer.
- Air passenger volumes are expected to be more stable and consistent with the historic trends.
- Recovery rates have been refined based on observed travel proportions, visa proportions, airline schedules and country of origin.





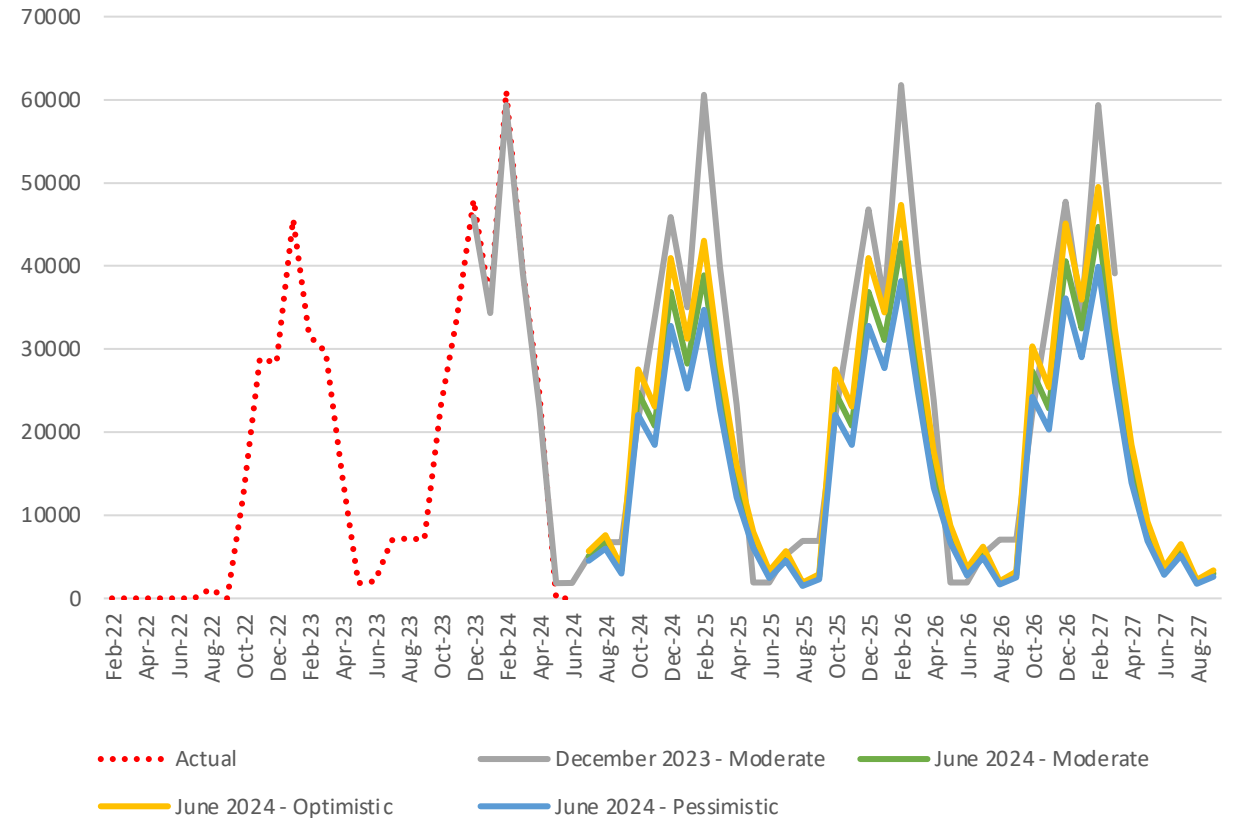
Cruise passenger arrivals – key assumptions & developments

- Scenarios assume unrestricted cruising from August 2022.
- Cruise schedules are now available until September 2025; however, it is crucial to note that these schedules are subject to significant changes. Cruise operators reserve the right to cancel any operation at their discretion due to logistical or operational reasons. The cancellation of a scheduled cruise operation could result in a substantial loss in passenger arrivals
- Assumed a 10% increase in cruise capacity for 2025/26 and 15% increase for 2026/27 from 2024/25 levels.
- Cruise baseline reference value for September 2019 is initially zero. However, for the purpose of calculation, it is assumed to be 5,988, based on the assumed capacity of September 2023 set at 75%.



Updated cruise scenarios

- Cruise industry is highly seasonal, from October to March. Material cruise travel in the 2022/23 season has seen strong recovery.
- Given the availability of tentative cruise schedules and indications that many operators plan to cancel their operations to New Zealand due to increased regulatory and operational expenses, the June 2024 moderate scenario expects a significantly lower volume of arrivals for the 2024/25 season compared to the December 2023 scenarios.
- Cruise passenger volumes for the 2023/24 (August 2023 – July 2024) season are projected to reach 99% of 2019 (baseline) levels.





Cargo – Actual import entries

Cargo measures

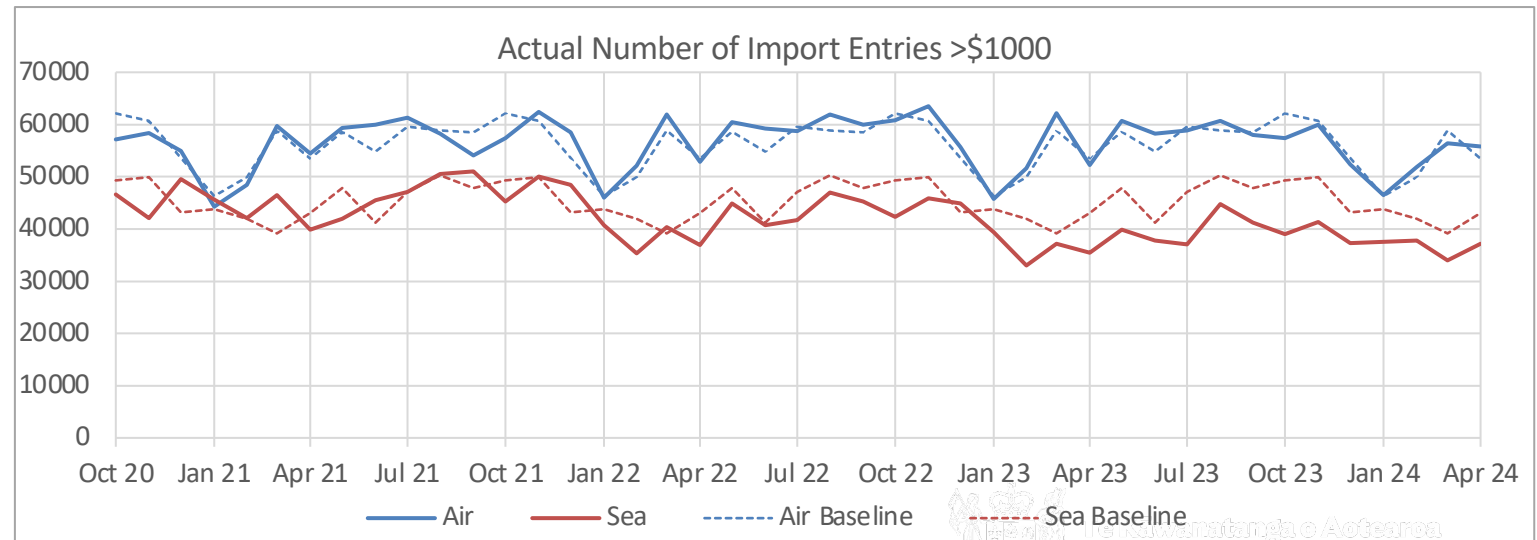
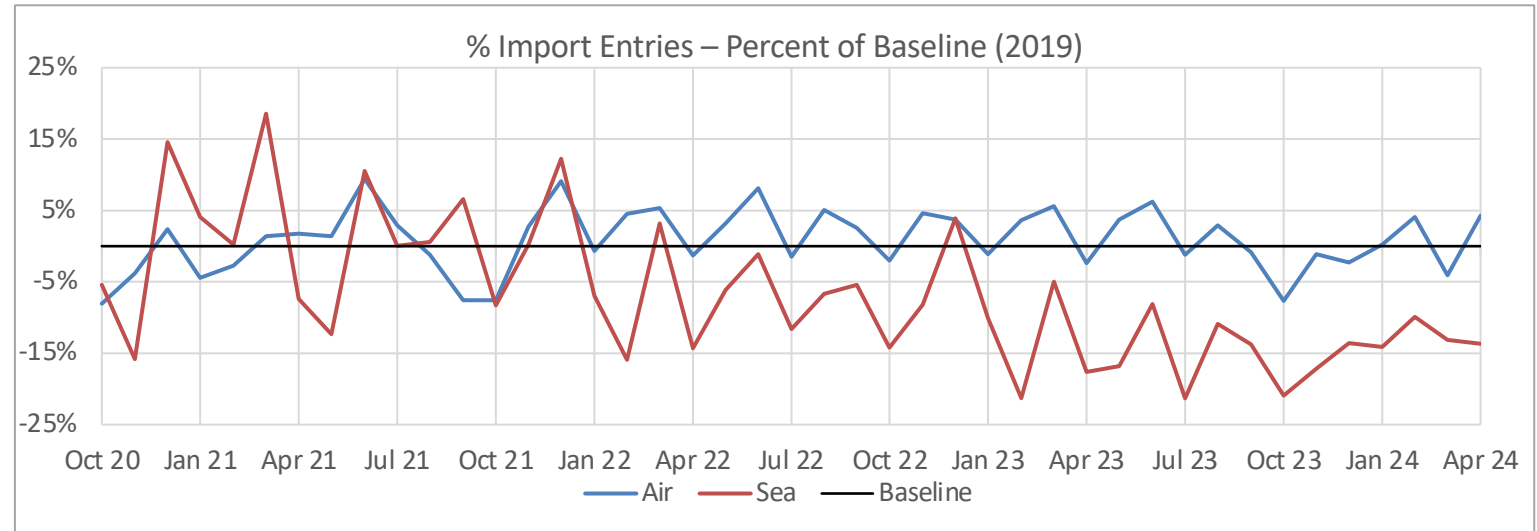
The data presented here is for import entries over \$1000 in value. The data shows the count of entries, not the size or value of imports.

Air cargo

- Air cargo continues to track at steady levels, slightly above baseline levels.

Sea cargo

- The number of sea cargo import entries continues to track below baseline levels, with a downward trend.



Cargo scenarios – key assumptions

We have reviewed and adjusted assumptions behind the following drivers that impact the cargo forecast. For each driver, we have three scenarios – optimistic, moderate and pessimistic.

Assumptions/drivers	Optimistic	Moderate	Pessimistic
<p>Initial steady state What is the steady state of import entries since the border fully opened?</p> <ul style="list-style-type: none"> Based on the continued trends in performance, the starting point for both air and sea cargo has reduced by 1% since December 2023. 	Air cargo: +7% Sea cargo: -5%	Air cargo: +2% Sea cargo: -10%	Air cargo: -3% Sea cargo: -15%
<p>Long-term trend What is the new normal for air and sea freight post-COVID-19?</p> <ul style="list-style-type: none"> The optimistic scenario represents a return to the rate of growth/decline recorded in the five years pre COVID. The pessimistic scenario uses growth/decline in 2019, the year prior to COVID. The moderate scenario is the mid-point of the optimistic and pessimistic rates. 	Air cargo: +3.87% Sea cargo: +1.36%	Air cargo: +2.76% Sea cargo: +0.57%	Air cargo: +1.65% Sea cargo: -0.23%



Cargo scenarios – current compared with December 2023 scenarios

