

Port decision jeopardises cruise sector & NZ economy

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Not proceeding with the full expansion plans for the Ports of Auckland jeopardises the fast-growing cruise sector, and will cost Auckland and New Zealand's economy millions of dollars, Cruise New Zealand says.

The decision means the brand new *Ovation of the Seas* will not be able to visit Auckland as planned next year. The *Ovation's* maiden visit to New Zealand was announced just two weeks ago.

The ship would be the largest cruise liner ever to visit New Zealand, at a length of 348 metres, 167,800 gross tonnage and a maximum capacity of 4900 passengers and 1300 crew. This is the equivalent of 12 Airbus A380s arriving at the same time.

Cruise New Zealand estimates that Auckland could lose \$12.4 million next year, while the cost to the wider New Zealand economy could be 120,000 passenger port days which translates to \$40.4 million.

"Ports of Auckland has advised that due to the change in its development plans, it will not now be able to accommodate the *Ovation of the Seas*," Cruise New Zealand chairman Kevin O'Sullivan says.

"If the ship is unable to call at Auckland, it is unlikely to come to New Zealand at all. An itinerary that does not include Auckland is much harder to sell and hence is unlikely to happen."

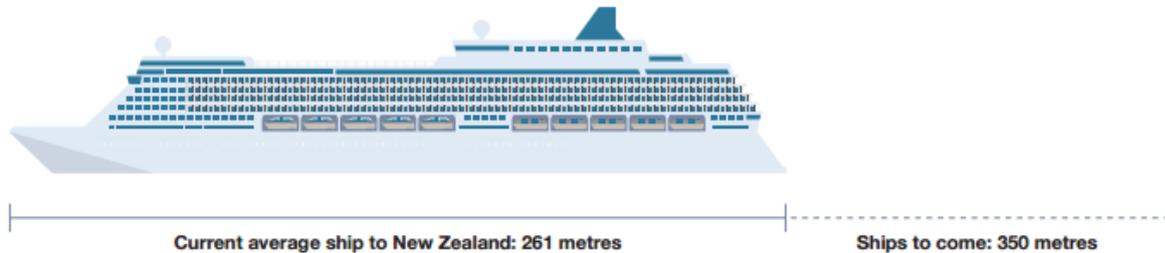
The situation will potentially harm the growth of the cruise sector for several years, Mr O'Sullivan says.

"Cruise lines plan three to five years ahead so if we cannot accommodate these newer, bigger ships next year, we are unlikely to see them for several years, if at all."

Cruise New Zealand has been actively lobbying for big-ship capable infrastructure since *Quantum of the Seas* (the first of that class) was announced for China in 2014.

"New Zealand and Auckland need to be 'cruise ready' for larger ships as the China market has taken off. A number of large cruise vessels are positioning into China for their summer and will wish to migrate south for our summer. It's a similar situation to Auckland Airport which needed to build new infrastructure to accommodate the new A380s," Mr O'Sullivan says.

“Cruise New Zealand has been warning that ever-bigger cruise ships want to come to New Zealand. We now face immense harm to our economy if we are unable to deliver a positive big ship experience.”



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Key facts:

- Cruise is the fastest growing segment of tourism.
- New Zealand's cruise industry has grown by five times over the last ten years.
- If cruise were a country, it would be New Zealand's 2nd largest inbound holiday market at 202,700 passengers (2013-14). Crew is an additional 69,000 visitors.
- Electronic card data has shown that 25% of cruise passengers return to New Zealand for another visit within the year of their cruise. Previous figures have shown an even larger repeat visitation rate (@ 46% in 2010).
- In the 2013-2014 cruise season, the cruise sector accounted for 1,084,000 passenger port days and contributed \$365 million to New Zealand's GDP and supported 6800 jobs.
- Forecasts have shown no sign of this growth abating. The 2015-2016 season is expected to increase by over 20% to bring in 246,800 passengers and 83,200 crew. This is forecasted to contribute \$422 million to New Zealand's GDP and support 7900 jobs.
- Australians (52%) make up the majority of international cruise arrivals, followed by Americans (17%) and British (8%).